

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



中国铁建
中國鐵建股份有限公司
China Railway Construction Corporation Limited
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1186)

(Listed Debt Securities Code: 5581, 40686 and 40687)

2023 ANNUAL RESULTS ANNOUNCEMENT

The Board of the Company is pleased to announce the audited results of the Company and its subsidiaries for the year ended 31 December 2023. This announcement, containing the full text of the 2023 Annual Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of annual results. The Company's 2023 Annual Report will be published on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and of the Company at <http://www.crcc.cn> on or before 30 April 2024.

Important Notice

I. The Board and the Supervisory Committee of the Company and the directors, supervisors and members of the senior management warrant the truthfulness, accuracy and completeness of the contents herein and confirm that there are no misrepresentations or misleading statements contained in, or material omissions from, this report, and accept several and joint legal responsibilities.

II. Absent Directors

Position of the absent director	Name of the absent director	Reason for the absence of the director	Name of entrusted person
Deputy secretary of the communist party committee and executive director	NI Zhen	Due to other official duties	WANG Lixin

III. Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued a standard unqualified opinion of auditor's report for the Company.

IV. DAI Hegen, chairman of the Company, ZHU Hongbiao, CFO, and WANG Lei, head of the finance department (person in charge of accounting), warrant the truthfulness, accuracy and completeness of the financial report contained in this annual report.

V. Profit distribution plan or reserves-to-equity transfer plan during the Reporting Period upon resolution at the Board meeting

According to the audited financial report of the Company for the year 2023, the undistributed profit of the parent company at the beginning of 2023 was RMB39,435.876 million. After adding the net profit realised by the parent company of RMB11,679.665 million in this year and deducting the cash dividends for the year 2022 of RMB3,802.272 million and distribution of the interest of holders of other equity instruments amounting to RMB2,547.999 million for the year, the distributable profit of the parent company at the end of the year was RMB44,765.270 million. According to the Company Law and the Articles of Association of the Company, a cash dividend of RMB3.50 for every 10 shares (tax inclusive), totaling RMB4,752.840 million, will be distributed, based on the total issued share capital of 13,579,541,500 shares as at 31 December 2023, accounting for 20.18% of the distributable profits attributable to ordinary shareholders of the listed company in the consolidated statements of the year. Upon such distribution, the undistributed profit of the parent company amounting to RMB40,012.430 million will be carried forward to the next year. If there are changes in the total share capital of the Company before the equity registration date for the implementation of the equity distribution, the Company proposed to keep the total allocation unchanged and adjust the allocation ratio per share accordingly.

VI. Disclaimer of forward-looking statements

Applicable Not Applicable

Forward-looking statements, including future business plans, contained in this report do not constitute substantive commitments to investors by the Company. Investors and relevant persons shall maintain a sufficient risk awareness hereto and understand the differences among plans, forecasts and commitments. Investors are reminded of such investment risks.

VII. Whether the Controlling Shareholder or its associates have misappropriated the Company's funds for purposes other than for business

No

VIII. Whether the Company has provided external guarantees in violation of any prescribed decision-making procedures

No

IX. Whether more than half of the directors fail to warrant the truthfulness, accuracy and completeness of the contents contained in the annual report disclosed by the Company

No

X. Reminder of important risks

The important risks the Company may encounter are internationalised operation risk, project operation and management risk, safety and quality risk, investment risk, and account receivables and inventory risk. Please refer to "(IV) Potential Risks" in "VI. Discussion and Analysis of the Company's Future Development" under "Section IV Management Discussion and Analysis (Report of Directors)" for details. Investors are reminded of such risks.

XI. Others

Applicable Not Applicable

The 2023 financial report of the Company was prepared according to the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and the relevant regulations (hereinafter referred to as "PRC GAAP Standards"). The reporting currency is RMB, unless otherwise specified.

The contents of this annual report are in compliance with all the requirements in relation to information to be disclosed in annual report under the SSE Listing Rules and the Hong Kong Stock Exchange Listing Rules. In addition, this annual report will be simultaneously published in Mainland China and Hong Kong. Should there be any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

Contents

Section I	Definitions	2
Section II	Basic Corporate Information and Key Financial Indicators	4
Section III	Chairman's Statement	12
Section IV	Management Discussion and Analysis (Report of Directors)	14
Section V	Corporate Governance (Corporate Governance Report)	84
Section VI	Environmental and Social Responsibility	146
Section VII	Significant Events	185
Section VIII	Changes in Shares and Particulars of Shareholders	219
Section IX	Particulars of Preference Shares	229
Section X	Particulars of Corporate Bonds	230
Section XI	Financial Report	254
Section XII	Five Years' Financial Summary	603

Documents for Inspection

1. Financial statements signed and sealed by the chairman of the Company, chief financial officer and head of accounting department (person in charge of accounting);
2. Original audit report with the seal of Deloitte Touche Tohmatsu Certified Public Accountants LLP, signed and sealed by certified public accountants;
3. Original copies of all documents and announcements of the Company which had been disclosed during the Reporting Period;
4. The Company's 2023 annual report published on the Main Board of the Hong Kong Stock Exchange.

Section I Definitions

I. DEFINITIONS

Unless otherwise stated in context, the following terms should have the following meanings in this report:

Definitions of frequently used terms

Company, parent company	China Railway Construction Corporation Limited
Group, CRCC	China Railway Construction Corporation Limited and its wholly-owned and controlled subsidiaries
Controlling Shareholder	China Railway Construction Corporation
General Meeting	a general meeting of China Railway Construction Corporation Limited
Board	the board of directors of China Railway Construction Corporation Limited
Independent Director	a person who assumes no duties in the Company except the duty of director, and has no relation with the Company and its substantial shareholders which could hinder his independent and objective judgments
Supervisory Committee	the supervisory committee of China Railway Construction Corporation Limited
Articles of Association	the articles of association of China Railway Construction Corporation Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SSE Listing Rules	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
CSRC	China Securities Regulatory Commission

Section I Definitions (continued)

Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Stock Exchange Listing Rules
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
the year	the year of 2023
previous year or prior year	the year of 2022
Reporting Period	from January to December 2023
the end of the Reporting Period	31 December 2023
CRCHI	China Railway Construction Heavy Industry Corporation Limited

Section II Basic Corporate Information and Key Financial Indicators

Solely established by China Railway Construction Corporation (中國鐵道建築總公司) (renamed as China Railway Construction Corporation (中國鐵道建築集團有限公司) after being restructured) in Beijing on 5 November 2007, China Railway Construction Corporation Limited is an ultra-large construction enterprise under the administration of SASAC. The Company successfully issued RMB denominated domestic shares (A shares) and overseas listed foreign shares (H shares), which were listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange on 10 March 2008 and 13 March 2008, respectively.

As one of the most powerful and largest comprehensive construction groups in the world, the Company was listed among the Fortune “Global 500” for 18 years in a row, ranking No. 43 in 2023.

The business of the Company comprises construction operation, planning, design and consultancy, investment operation, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries, and its operating scope covers 32 provinces, autonomous regions and municipalities in China, as well as 143 countries and regions in the world. The Company has a refined industry chain covering scientific research, planning, survey, design, construction, supervision and management, operation, maintenance, and investment and financing, and has the capability to provide one-stop integrated services. The Company has established its industry leadership in fields of engineering design and construction for plateau railways, high-speed railways, expressways, bridges, tunnels and urban rail transits.

The Company has one member of Chinese Academy of Engineering, 10 National Survey and Design Masters, 11 national candidates of the “Bai Qian Wan Talents Project (百千萬人才工程)” and 289 experts who are recipients of special subsidies granted by the State Council.

The Company has cumulatively received 87 National Prizes for Science and Technology, 150 Zhan Tianyou Civil Engineering Awards, 593 National High-Quality Projects Awards (including 52 Gold Awards), 184 Luban Prizes for China Construction and 5,034 engineering methods above provincial level. The Company cumulatively holds 35,832 valid patents.

Integrating itself into the new development paradigm, the Company commits to build “High-Quality CRCC”, strengthening services across the industrial chain, and providing customers with personalised, customised and high-quality “CRCC models” and “CRCC solutions” across the whole process and the full cycle, with an aim to become the most trustworthy world-class comprehensive construction industrial group.

I. CORPORATE INFORMATION

Chinese name of the Company	中國鐵建股份有限公司
Chinese abbreviation of the Company	中國鐵建
English name of the Company	China Railway Construction Corporation Limited
English abbreviation of the Company	CRCC
Legal representative of the Company	DAI Hegen



Section II Basic Corporate Information and Key Financial Indicators (continued)

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Joint Company Secretaries	Representative of Security Affairs
Name	JING Jing	JING Jing, LAW Chun Biu	XIE Huagang
Correspondence address	CRCC Bureau Building, East, No. 40 Fuxing Road, Haidian District, Beijing	CRCC Bureau Building, East, No. 40 Fuxing Road, Haidian District, Beijing	CRCC Bureau Building, East, No. 40 Fuxing Road, Haidian District, Beijing
Telephone	010-52688600	010-52688600	010-52688600
Fax	010-52688302	010-52688302	010-52688302
E-mail	ir@crcc.cn	ir@crcc.cn	ir@crcc.cn

III. BASIC INFORMATION

Registered office of the Company	East, No. 40 Fuxing Road, Haidian District, Beijing
Historical changes in the registered office of the Company	N/A
Principal place of business	East, No. 40 Fuxing Road, Haidian District, Beijing
Postal code of principal place of business	100855
Principal place of business in Hong Kong	23/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong
Website address of the Company	www.crcc.cn
E-mail	ir@crcc.cn

IV. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Media and website selected by the Company for disclosing the annual report	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times
Stock exchange websites designated by the Company for disclosing the annual report	Website of Shanghai Stock Exchange: www.sse.com.cn Website of Hong Kong Stock Exchange: www.hkex.com.hk
Place for inspection of annual reports of the Company	Office of the Board of CRCC, East, No. 40 Fuxing Road, Haidian District, Beijing

Section II Basic Corporate Information and Key Financial Indicators (continued)

V. BASIC INFORMATION OF THE COMPANY'S SHARES

Basic Information of the Company's Shares				
Type of share	Place of listing	Stock abbreviation	Stock Code	Stock abbreviation before change
A Share	Shanghai Stock Exchange	CRCC	601186	–
H Share	Hong Kong Stock Exchange	China Rail Cons	1186	–

VI. OTHER RELATED INFORMATION

Auditors appointed by the Company ^{Note}	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F Bund Centre, 222 Yan An Road East, Shanghai
	Names of signing accountants	Chen Xi, Shi Xiao
Legal advisers appointed by the Company (as to PRC law)	Name	Beijing Deheng Law Office
	Office address	12/F, Tower B, Focus Place, No. 19 Finance Street, Beijing
Legal advisers appointed by the Company (as to Hong Kong law)	Name	Baker & McKenzie
	Office address	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Share registrar of A shares of the Company	Name	China Securities Depository and Clearing Corporation Limited (CSDC) Shanghai Branch
	Office address	No. 188 Yanggao South Road, Pudong New Area, Shanghai
Share registrar of H shares of the Company	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Note: Pursuant to relevant requirements of the Ministry of Finance of the PRC, the CSRC and the Hong Kong Stock Exchange Listing Rules, a company incorporated in Mainland China and listed on the Hong Kong Stock Exchange is permitted to adopt the PRC GAAP Standards to prepare its financial statements and to engage a domestic accounting firm recognised by the Ministry of Finance and the CSRC to provide relevant services according to the PRC auditing standards since 15 December 2010. Therefore, the Company appointed only one auditor as its external auditor starting from the financial year of 2011, with no division of domestic and overseas audit.

Section II Basic Corporate Information and Key Financial Indicators (continued)

VII. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE PAST THREE YEARS

(I) Major accounting data

Unit: '000 Currency: RMB

Major accounting data	2023	2022		Increase or decrease at this year over the previous year (%)	2021	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Revenue	1,137,993,486	1,096,312,867	1,096,312,867	3.80	1,020,010,179	1,020,010,179
Net profit attributable to shareholders of the Company	26,096,971	26,680,796	26,642,094	-2.19	24,666,191	24,690,556
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	24,580,442	24,127,443	24,088,741	1.88	22,405,444	22,429,809
Net cash flows generated from operating activities	20,412,048	56,134,952	56,134,952	-63.64	-7,303,911	-7,303,911

	At the end of 2023	At the end of 2022		Increase or decrease at the end of the current period compared to that of the same period of last year (%)	At the end of 2021	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of the Company	309,837,517	290,398,039	290,483,983	6.69	268,664,646	268,789,292
Total assets	1,663,019,578	1,523,913,581	1,523,951,052	9.13	1,352,908,366	1,352,970,006

Section II Basic Corporate Information and Key Financial Indicators (continued)

(II) Major financial indicators

Major financial indicators	2023	2022		Increase or decrease at this year over the previous year (%)	2021	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (yuan per share)	1.73	1.76	1.76	-1.70	1.60	1.60
Diluted earnings per share (yuan per share)	1.73	1.76	1.76	-1.70	1.59	1.60
Basic earnings per share after deduction of non-recurring profit or loss (yuan per share)	1.62	1.57	1.57	3.18	1.43	1.43
Weighted average return on net asset (%)	9.80	11.07	11.05	Decreased by 1.27 percentage points	11.10	11.10
Weighted average return on net asset after deduction of non-recurring profit or loss (%)	9.17	9.89	9.87	Decreased by 0.72 percentage point	9.94	9.94

Explanation on the major accounting data and financial indicators of the Company for the past three years before end of the Reporting Period

Applicable Not Applicable

When calculating the basic earnings per share and diluted earnings per share for the Reporting Period, the interest of other equity instrument holders of RMB2,547.999 million has been deducted.

VIII. ACCOUNTING DATA DIFFERENCES BETWEEN THE PRC GAAP STANDARDS AND FOREIGN ACCOUNTING STANDARDS

(I) **Difference arising from the net profit and net assets attributable to shareholders of the Company in the financial statements disclosed simultaneously pursuant to the international accounting standards and the PRC GAAP Standards**

Applicable Not Applicable

(II) **Difference arising from the net profit and net assets attributable to shareholders of the Company in the financial statements disclosed simultaneously pursuant to the foreign accounting standards and the PRC GAAP Standards**

Applicable Not Applicable

(III) **Explanation of the difference between domestic and foreign accounting standards**

Applicable Not Applicable

Section II Basic Corporate Information and Key Financial Indicators (continued)

IX. KEY FINANCIAL INDICATORS OF 2023 BY QUARTER

Unit: '000 Currency: RMB

	Q1 (January to March)	Q2 (April to June)	Q3 (July to September)	Q4 (October to December)
Revenue	273,538,545	267,521,446	265,403,204	331,530,291
Net profit attributable to shareholders of the Company	5,907,923	7,740,687	5,770,930	6,677,431
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	5,663,839	7,233,246	5,535,869	6,147,488
Net cash flows generated from operating activities	-39,215,590	19,872,613	-23,839,597	63,594,622

Explanation on difference between quarterly results and information disclosed in periodic reports

Applicable Not Applicable

X. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Applicable Not Applicable

Unit: '000 Currency: RMB

Non-recurring profit or loss items	Amount for 2023	Amount for 2022	Amount for 2021
Profit or loss from disposal of non-current assets, including the write-off part of the provision for impairment of assets	870,977	1,853,596	1,224,389
Government grants recognised through profit or loss (other than government grants which are closely related to the company's normal business operations, comply with national policies, can be enjoyed based on established standards, and have continuous impact on the company's profit or loss)	880,303	931,515	874,341
Profit or loss arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and profit or loss from disposal of financial assets and financial liabilities other than the valid hedging services related to the normal operating activities of the company	-283,398	-222,758	-39,659
Reversal of impairment provision for receivables subject to separate impairment tests	360,495	398,676	458,484

Section II Basic Corporate Information and Key Financial Indicators (continued)

Non-recurring profit or loss items	Amount for 2023	Amount for 2022	Amount for 2021
Income generated from the investment cost of the enterprise for acquiring subsidiary, associate or joint venture being less than the entitled fair value of the recognisable net assets of the investee when acquired	86,614	81,826	–
Profit or loss from debt restructuring	106,794	118,584	166,858
Other non-operating income or expenses other than the above	60,459	203,579	199,876
Less: Impact on income tax	448,312	758,032	541,507
Impact on minority interests (after tax)	117,403	53,633	82,035
Total	1,516,529	2,553,353	2,260,747

For the non-recurring profit or loss items not listed in the “Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-recurring Profit or Loss” defined as non-recurring profit or loss items and the amount is significant and the non-recurring profit or loss items listed in the “Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-recurring Profit or Loss” defined as recurring profit or loss items, the related causes shall be explained.

Applicable Not Applicable

Section II Basic Corporate Information and Key Financial Indicators (continued)

XI. ITEMS MEASURED AT FAIR VALUE

Applicable Not Applicable

Unit: '000 Currency: RMB

Item name	Balance at the beginning of the period	Balance at the end of the period	Change during the period	Effect on profit of current period
Receivables at fair value through other comprehensive income	3,321,965	2,723,520	-598,445	-
Held-for-trading financial assets	961,298	1,629,785	668,487	-25,317
Other debt investments	4,934,663	5,115,845	181,182	-
Other debt investments due within one year	5,959,529	6,963,058	1,003,529	-
Other equity instrument investments	11,940,051	12,575,571	635,520	116,607
Other non-current financial assets	8,387,687	10,287,149	1,899,462	-429,155
Total	35,505,193	39,294,928	3,789,735	-337,865

XII. OTHERS

Applicable Not Applicable

Section III Chairman's Statement

Dear Shareholders,

I'm hereby presenting the 2023 annual report of CRCC to you on behalf of the Board, and expressing the sincere thanks to the friends in all walks of life who support and care for the reform and development of the Company for a long time!

In 2023, despite the tough market situation and arduous reform task, we carried forward the spirit of "punching mountains open for road and crossing rivers by building bridge" typical of railway workers, gave top priority to high-quality development, and proactively and effectively met all the challenges, maintaining a momentum of steady growth. Over the year, total value for newly-signed contracts amounted to RMB3,293.8700 billion, with operating revenue of RMB1,137.9935 billion, total profit of RMB38.8282 billion, and net profit of RMB32.3287 billion. The asset-liability ratio was generally stable, R&D input was higher than expected, and the return on equity, overall labour productivity and operating cash ratio were kept within a reasonable range. All these major operating and financial indicators improved steadily. CRCC ranked the 43rd on Fortune's Global 500 list, the 3rd among ENR Top 250 Global Contractors, and the 101st among Brand Finance Global 500, and was rated Grade A in assessments such as the assessment of the operating performance of the heads of central enterprises under SASAC and the assessment of the key tasks of the 3-year reform action.

2024 is a critical year to the implementation of the 14th Five-year Plan, as well as a crucial year for CRCC to build a better future on past achievements. Amid the fundamental trend that China's economy recovers with expected growth in the long term, in face of the new situation, new changes and new challenges, we will remain guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, uphold and strengthen Party leadership in all aspects, prioritise high-quality development, comprehensively implement the new development philosophy, balance high-quality development with high-level security, and build CRCC into a trustworthy and world-class comprehensive construction industry group at a faster pace.

By taking the critical step of deepening the state-owned enterprise reform, we will speed up the removal of institutional obstacles. We'll improve the modern enterprise system with Chinese characteristics faster, make solid efforts to advance and deepen the state-owned enterprise reform, continuously refine the modern corporate governance with Chinese characteristics with the focus on regulating the building on the Board, and drive the conversion of our institutional advantage into governance effectiveness. We will establish a market-oriented operation mechanism, strengthen the assessment of the implementation of the "One Policy for One Enterprise" and "One Policy for One Post", and push forward the implementation of the "Four Cans" (officials can be promoted or demoted, employees can be hired or fired, income can be increased or decreased, and organisation can be expanded or contracted) mechanism.



Section III Chairman's Statement (continued)

Making innovation the primary driver, we will foster new momentums of development and build new competitive edges at a faster pace. Centring on major national strategies, we will formulate medium and long-term development strategies to lead the transformation and upgrade of the enterprise. We will speed up the development of strategic emerging industries and future-oriented industries, while advancing the transformation of traditional industries, so as to achieve digital, intelligent and green operation. We will create high-level platforms for technological innovation and make efforts to optimize the innovation ecology.

With a focus on delicacy management, we will effectively sharpen our core competence. We will carry out special initiatives for the improvement of project management, improvement of supply chain management and integration between business and finance in a coordinated manner, to further boost total factor productivity and economic activity, and reinforce and optimise the quality of economic operation. We'll step up delicacy management of engineering projects, to enhance our capability of honoring contracts and creating benefits. We will accelerate the supply chain reform, to improve the efficiency of resources education. We will drive the integration between business and finance, to improve economic activity and resilience.

Led by the "overseas priority" strategy, we will improve international operation at a faster pace. CRCC will advance the "overseas priority" strategy, align enterprise planning with national strategies, speed up the integrated development of overseas business, boost the integration of industrial chain and value chain and the integrated development of strategic resources and accelerate the localisation of overseas operation, and make our overseas presence stronger and bigger.

By defining and defending our bottom line, we'll resolutely prevent and defuse various risks. We'll promote high-level security through high-quality development, continue to improve the "big risk control" system, and advance resources integration, information sharing and joint risk prevention and control. We'll adjust and optimise the "big supervision" mechanism, and further strengthen management, prevent risks and promote improvement. We'll deepen the building of "CRCC governed by law", and intensify system building and process control for compliance management.

In 2024, we will carry out implementation conscientiously, resolutely and practically to drive positive results. Ensuring stability, pursuing innovation and focusing on reality, we'll further advance the effective improvement of quality and reasonable growth of quantity, accelerate the building of a trustworthy and world-class comprehensive construction industrial group, and deliver benefits to the society and our shareholders and employees with excellent achievements.

DAI Hegen
Chairman
Beijing, the PRC
28 March 2024



Section IV Management Discussion and Analysis (Report of Directors)

I. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

2023 was the first year for fully implementing the guiding principles of the 20th CPC National Congress. In response to the harsh market situation and arduous reform and development tasks, CRCC adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the decisions and plans made by the CPC Central Committee and the State Council, and put high-quality development in the first place, thereby maintaining a steady growth and achieving fruits in all fronts.

In the Reporting Period, CRCC recorded RMB3,293.8700 billion of newly-signed contracts, representing a year-on-year increase of 1.51%; RMB1,137.9935 billion of operating revenue, representing a year-on-year increase of 3.80%; RMB38.8282 billion of total profits, representing a year-on-year increase of 2.65% over the same period last year; RMB32.3287 billion of net profits, representing a year-on-year increase of 1.68%; RMB26.0970 billion of net profits attributable to shareholders of listed company, representing a year-on-year decrease of 2.19%; RMB309.8375 billion of net assets attributable to shareholders of listed company, representing a year-on-year increase of 6.69%.

(I) Focusing on stability in production and operation.

Faced with complex and severe market conditions, CRCC anchored the annual goals unswervingly and went all out to compete in the market and stabilise its projects.

Improving business operations. Guided by the national strategy for coordinated regional development and the requirements for high-quality construction of the Belt and Road Initiative, CRCC strengthened market research and management supervision, and stressed management responsibilities of all regions and all levels. RMB3,293.8700 billion of new contracts were signed, hitting another record high. Following changes in the market, it continued to reinforce the operation of open tender projects, EPC projects and overseas spot exchange projects. In addition, it enhanced high-end operation coordination, and implemented the “big market, big customer, big project” strategy, thereby winning the bids of landmark projects including Shanghai Chengjiang Road TOD development project and the western mining railway project in Algeria. What’s more, it steadily promoted intensification of operational resources, continued to optimise the regional operation and urban operation layouts and the operation quality appraisal system, and improved the list-based management mechanism for the “1+N” main front in China and overseas pillar markets. The operation quality and efficiency were enhanced steadily.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Strengthening production performance. CRCC launched a special action to enhance project management, clarified rights and responsibilities in projects, extensively promoted program management, and expedited the transformation of production organisation model. With great efforts in digital transformation at the production end, it received fruitful results in the innovation and application of smart construction and green construction technologies. It also improved the hierarchical project management mechanism, strengthened inspection of key and difficult projects, and clarified the responsibilities of each level for guaranteeing quality, progress, safety and cost reduction, and ensured construction and production were carried out in an orderly manner. In 2023, CRCC received 12 prizes of Luban Award, and 56 prizes of the National Quality Engineering Award (including 7 gold prizes), and the only first prize for state-owned construction enterprises at the Competition of SOE QC Team Achievements. A number of key projects under construction in China including Guiyang-Nanning High-speed Rail and Neijiang-Dazu Expressway went into operation. Some other key and difficult projects in progress at home and abroad, including Xi'an-Kunming High-speed Rail, the Fourth Macao-Taipa bridge, and UAE Railway Phase II, were carried out smoothly.

Enhancing quality and efficiency. CRCC made further progress in quality and efficiency enhancement. It strengthened source control and urged its subsidiaries to work for “newly-signed contracts with operating revenue, operating revenue with profits, and profits with cash flow.” Tertiary company construction conferences and project management site meetings were held to ensure a good top-level design and forge a common understanding. It enhanced the centralised procurement and supply of materials and equipment, and continued to promote the construction and application of the CRCC cloud procurement and cloud rental platforms. Moreover, it reinforced centralised control of funds and loans, promoted the treasury system construction in an orderly manner, and strengthened early warning of the performance capacity of key customers, to guard against financial and capital risks. It also intensified performance appraisal and supervision over debt settlement.

(II) Reform and innovation stimulating vitality.

CRCC pressed ahead with reform and innovation, and accelerated the transformation to a market-oriented operation mechanism in line with industry trends to facilitate China's science and technology self-reliance and self-strengthening at higher levels and gain constant vitality for high-quality development.

Further reform: In 2023, based on the three-year SOE reform that ended with a high quality, CRCC launched a new round of deepening and upgrading actions for the SOE reform with high standards following closely the decision-making and deployment of the CPC Central Committee and the State Council and the work arrangement of the SASAC. Guided by national strategies, it developed the reform deepening and upgrading scheme with emphasis on improving the core competitiveness and core functions. It introduced 119 reform measures, and formed “leadership, supervision, inspection, assessment, penetration and promotion” mechanisms to ensure implementation of the measures. The “four special actions” for building world-class enterprises were advanced in an orderly manner according to the established schedule, roadmap and assessment requirements. Three subsidiaries were selected by the SASAC as world-class demonstration enterprises, and it continued to foster a model for the reform of state-owned science and technology enterprises and an innovation pioneer. By the end of 2023, the Company completed almost 30% of its reform measures, optimised its industrial structure, made fruitful exploration of strategic emerging industries and emerging businesses, and enhanced its independent innovation ability, yielded abundant results with regard to patents, technologies and standards, further removed institutional obstacles, and promoted standard operation of the Board of Directors, the reform of “three systems”, and the quality enhancement of listed company. Through in-depth integration within the Group, it created a “Suzhou model” for central-local cooperation, and continued to demonstrate innovation vitality.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Science and technology innovation: To realise science and technology self-reliance and self-strengthening at higher levels faster, CRCC continued to promote high-quality development of science and technology innovation, and improved the decision-making, investment, result transformation and appraisal system for science and technology innovations, thus making the management mechanism more flexible and creating more impetus for innovation. CRCC strengthened research in key and core technologies. It realised full-process control of the whole series of shield machine main bearing, and mass production of high-end high-power hydraulic rock drill. The Company also undertook major national research projects actively. It led five national key research programs, participated in five, and presided over a total of 15 projects, which amounted to the largest number in its history. Moreover, it led the research on the utilisation of deep underground space for future industries, and prepared a special implementation plan for large-scale application of Beidou. CRCC co-issued five ISO and IEC standards, which increased its voice in international standard setting. It was approved to establish a “National Key Laboratory for Intelligent Construction and Maintenance of Geotechnical and Tunnel Engineering in Extreme Environment”, marking a significant progress in its innovative platform construction. During the year, the Company was granted 6,831 new patents, including 2,008 patents for invention, representing a year-on-year increase of 65%. It received one China Patent Silver Award and seven Excellence Awards, ranking first among state-owned construction enterprises. It also won 14 China Civil Engineering Zhan Tianyou Awards, which hit a record high. The Company successfully developed the world’s largest and fully localized shield machine main bearing with a diameter of 8.61 meters, the world’s largest shaft boring machine “Dream”, and the world’s first all-in-one machine for girder replacement, transport and erection “Taihang”, which was selected into the “2023 Top 10 National Machines among SOEs.” Conforming to the CRCC digital transformation strategy and its implementation plan, the Company advanced the construction of unified information systems and “small and beautiful” platforms in a coordinated manner. The construction of “three centres at three places” made milestone achievements and the conditions for full operation were ready. CRCC continued to enhance its cybersecurity protection and maintenance ability, and achieved considerable results in the construction of “Digital Intelligent CRCC”.

(III) Fast and smooth industrial upgrading through structural adjustment.

CRCC coordinated the construction, extension, supplementation and reinforcement of the industrial chain to make it more resilient and competitive.

Steadily optimizing industrial layout. The Company specified 36 key tasks for industrial layout optimisation and structural adjustment that fell under eight categories including region, operation, investment, asset and industry, and promoted the inclination of resources towards advantageous fields, strategic emerging industries, “leading” enterprises and “chain leader” enterprises. It continued to perfect the selection, review, exit and support mechanism for specialised, refined, differential and innovative (SRDI) enterprises. 22 subsidiaries were included in provincial and ministerial SRDI lists in 2023. The Company also intensified “support to the superior and elimination of the inferior” to form a “leading wild goose” effect and scale effect.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Proactively fostering new competitive advantages. CRCC continued to reinforce its advantage in railway, highway, urban rail, housing construction, and municipal engineering and encouraged professionalism in respective segments. In the meantime, it strengthened application for higher-level qualifications. In 2023, it received five special-class certificates, which brought the total number of its special-class qualifications above 100, the highest among state-owned construction enterprises. In addition, it continued to improve the lists of key businesses and key units to support under “new infrastructure and new urbanisation initiatives”, and worked out an action plan for carbon peaking, and specified the timetable and roadmap for green and low-carbon development of each business segment, with a view to create new growth drivers. Furthermore, it vigorously developed emerging industries and future industries in cultivating new quality productive forces. It set up the CRCC leading group for developing strategic emerging industries and the office of major projects of utilizing deep underground space for future industries, established regular statistics, analysis and monitoring mechanism for indicators related to strategic emerging industries, and formulated the “CRCC Work Plan for Developing Strategic Emerging Industries” and the “Implementation Plan”, which specified the general guidelines, objectives, tasks and measures for developing strategic emerging industries. It also took an active part in the SASAC’s special action for nine emerging strategic industries and six future industries.

Strengthening guidance through industrial policies. CRCC clarified the development positioning of “headquarters focusing on ecosystem, secondary companies focusing on industries, and tertiary companies focusing on specialties”, developed “8+N” rules for the division of industry categories and business segments, and guided the industrial groups to selectively foster businesses in strategic emerging industries or involving water, energy and mining, which are related to their main business and match their resources.

(IV) Improvements in all areas based on a solid foundation.

CRCC continued to strengthen the Party’s overall leadership and the Party building in political construction, and consolidated the clean and upright political atmosphere. It reinforced risk control and supervision, with greater efforts in building “big risk control” and “big supervision” systems, thus making its risk control and supervision more forward-looking, systematic and scientific. It stuck firmly to the goal of no casualties and no accidents in work safety, and considerably enhanced the safety management level. It carried out regular audits of production and operation, giving effective play to the economic supervision function of auditing. It continued to advance “law-based CRCC” construction, launched compliance review, and safeguarded its legitimate rights and interests. It improved the modern enterprise system with Chinese characteristics, standardised operations of the Board of Directors in subsidiaries, and strengthened performance management of external directors. It boosted brand culture publicity to tell “CRCC stories” and spread “CRCC’s voice”. It promoted rural revitalisation and support to Xinjiang, Tibet and Qinghai, and acted first in earthquake relief and flood fighting, fulfilling its corporate social responsibility conscientiously.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

II. INDUSTRY SITUATION OF THE COMPANY DURING THE REPORTING PERIOD

CRCC is one of the most powerful and largest ultra-large comprehensive construction groups in the world. The business of the Company comprises construction operation, planning, design and consultancy, investment operation, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries.

(I) Construction operation

In 2023, the development scale of China's construction industry remained at historical high, and the industrial concentration was furthered enhanced. The state continued to support major projects to promote coordinated regional development. Traditional infrastructures such as transportation, energy and water conservancy continued to exert their strength. New infrastructures such as data centre, high-speed rail transit, 5G, automobile charging pile have become important starting points for the conversion from old to new kinetic energy. In addition, the state has stepped up efforts in ecological environment control projects, and accelerated the construction of government-subsidised housing, urban village renovation and public facilities with dual use for peace and emergency, offering new impetus for the development of construction operations. The development of construction operations in China has entered a period of high-quality development and transformation opportunities.

(II) Planning, design and consultancy

In 2023, the market of domestic railway, highway, urban rail, house construction, municipal and port, airport, electric power and other fields where the planning, design and consultancy operations are located maintained steady growth. Industrial restructuring of the manufacturing industry and the emerging market fields such as rural construction, utility tunnel, sponge city, environmental protection and pollution control brought expansion opportunities for planning, design and consultancy. At the same time, as planning, design and consultancy is a technology-intensive sector, under the impact of technology revolution and industrial revolution in 5G, big data, AI, cloud computing, Beidou application, etc., the industrial development will face new opportunities and new challenges of digitisation and intelligence transformation. In the future, China's planning, design and consultancy industry will grow steadily, and pose higher demands on enterprises particularly in their innovation capacity and technology strength.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(III) Investment operation

In 2023, the investment in fixed assets (excluding rural households) nationwide was RMB50,303.6 billion, a year-on-year increase of 3.0%, and the investment in infrastructure increased by 8.24% year on year, of which investment in production and supply of electricity, heat power, gas and water grew faster, that in transport, storage and post rose steadily, and that in water conservancy, environment and public facilities remained level. As China enters the stable phase of urbanisation, the growth of investment in transportation infrastructure has begun to slow down. Since the beginning of the 14th Five-Year Plan period, water and energy-related businesses such as construction of national water network, hydropower development and new energy have become the fastest growing areas. The development of mineral resources ushers in a counter-cyclical recovery and growth. Weak links in airport and port construction are improved rapidly. The development of new infrastructure like environmental protection, health care for the elderly, renovation of old neighborhoods, and IT infrastructure is on the rise. For some time to come, these emerging industries and businesses will become new sources of investment growth, and important supports of China's investment in fixed assets together with traditional infrastructure. Along with the special refinancing bond program launched at the end of 2023 and the new mechanisms and requirements for investment and financing from relevant ministries and commissions, investment operation projects with relatively strong public attributes will see new opportunities for high-quality development, and enterprises with operating experience in concession projects will benefit from the favorable policies.

(IV) Real estate development

In 2023, due to macro economic factors, restoration of the real estate market wasn't obvious, and the sales volume remained low throughout the year. Stimulated by policy, the market showed a trend of "high in the beginning, low in the middle and then stable". A meeting of the Political Bureau of the CPC Central Committee set the tone for the real estate market as "the relationship between supply and demand in the (real estate) market has undergone significant changes." Government bodies at all levels optimised real estate policies frequently to promote stability of the market, but its restoration was still hindered by factors like weak income expectation of residents and expectation of falling house prices, and the market of newly-built houses was still under adjustment. According to data released by the National Bureau of Statistics, the national investment in real estate development in 2023 was RMB11,091.3 billion, representing a year-on-year decrease of 9.6%, among which, residential investment was RMB8,382.0 billion, representing a year-on-year decrease of 9.3%; the sales area of commercial housing was 1,117.35 million square meters, representing a year-on-year decrease of 8.5%, of which, the sales area of residence decreased by 8.2% over the previous year; the sales amount of commercial housing was RMB11,662.2 billion, representing a year-on-year decrease of 6.5%, of which the sales amount of residence decreased by 6.0% over the previous year. In August 2023, the "Guidance on Planning and Building Government-subsidised Housing" adopted at an executive meeting of the State Council made it clear that government-subsidised housing is the core content of the new housing market reform, and that a new development model in which government-subsidised housing and commercial housing are mutually complementary is being established. In the long run, there will still be long-term demand in China's real estate market. With the reform of the household registration system and the improvement of the supporting policies for citizenisation of migrant agricultural population, the urbanisation rate will continue to rise in the future, which will drive the demand for housing.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(V) Manufacturing

The investment in transportation infrastructure construction has slowed down. The traditional general engineering machinery is affected by overcapacity and the market competition is becoming increasingly fierce. However, the high-end equipment manufacturing industry has ushered in a golden opportunity period, and the development of intelligent manufacturing will enter a comprehensive promotion stage. With the steady improvement of the state's core equipment supply capacity, the process of localisation of major technical equipment continues to accelerate, providing a wide range of opportunities for high-end equipment manufacturing industry.

(VI) Materials and logistics

China's materials and logistics industry has entered a critical period of logistics system formation. Relying on the resource channel advantages formed by internal centralised material procurement and logistics transportation, the Group will increase the efficiency of external operation, further improve the two-level centralised procurement system, improve the level of centralised procurement, reduce procurement costs, expand the categories of centralised procurement and increase the proportion of primary centralised procurement; promote the rapid development of logistics business, significantly increase the business scale and proportion, build a modern logistics system and create an intelligent supply ecosystem for the construction industry.

(VII) Environmental protection

In 2023, to implement the "Opinions of the Central Committee of the CPC and the State Council on Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy", departments concerned issued a series of planning and actions plans focusing on carbon peaking and carbon neutrality, energy conservation and carbon emission reduction, industrial carbon peaking, low-carbon transportation, and carbon sink consolidation, and continued to establish and improve the policy system for carbon peaking, carbon neutrality and "1+N". The Group seized the opportunity of "Carbon Peaking and Carbon Neutrality", with "Ecology+" as the core, combined with the EOD model, aimed at key projects, made good use of green finance, and continuously improved its technology and complemented the shortcomings through internal integration and external mergers and acquisitions, so as to facilitate the achievement of "Carbon Peaking and Carbon Neutrality".

(VIII) Industrial finance

In 2023, the financial supply-side reform has been continuously promoted, the strict and detailed financial supervision has been further normalised, and the new requirements from SASAC on the industrial financial supervision of central enterprises have been put forward in succession. The Group strengthened the promotion of production through finance, standardised the combination of industry and finance, promoted the linkage of industry and finance and the integration of financial services, better leveraged the role of financial services in the development of the real industries, and maximised the value of industrial resources and financial capital.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

III. OPERATIONS OF THE COMPANY DURING THE REPORTING PERIOD

(I) MAIN BUSINESSES OF THE COMPANY

1. Construction operation

Construction operations are the core and traditional business of the Group, which cover multiple fields, such as railways, highways, rail transits, water conservancy and hydropower, housing construction, municipal engineering, bridges, tunnels, airports and wharves. Its construction operations mainly take the forms of construction contract and financing contract.

2. Planning, design and consultancy

Planning, design and consultancy operations of the Group mainly comprise 4 large Grade II design institutes with comprehensive Grade A qualifications for engineering design and 24 professional design institutes at or below Grade III (excluding the subsidiaries and branches of the 4 large design institutes), and cover the planning, design and consultancy services related to railway, urban rail transits, highways, municipal administration, industrial and civil buildings, magnetic levitation, water transport, hydropower, airports and civil defense whilst keeping expanding into the emerging industries and areas, such as intelligent transport, modern tramcar, urban utility tunnel, urban underground space, ecological environment and environmental protection. The basic business model of planning, design and consultancy operations is to complete the planning, design and consultancy and related services of engineering projects as contracted through market competition, and to operate general design contracting projects and general engineering contracting projects by fully leveraging on the business advantages of the Group.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

3. Investment operation

The investment operation is an important engine for the transformation and upgrading of the Group and an important grasp for structural adjustment as well as an important source of benefit growth. Adheres to the principle of “focus on main business, practice within our capabilities, put benefits in priority, and guarantee funding”, the Group strengthens investment guidance, optimises investment structure, and strictly controls investment risks, with a view to building a high-quality business development system featuring “interconnection between investment that leads and operation that enhances efficiency”. While strengthening and improving investment in urban rail transit, highways, municipal administration and urban comprehensive development, the Group accelerates development in emerging fields like urban renewal, urban village renovation, ports and wharves, new energy and new infrastructure, and makes greater efforts to enhance its multi-business integrated development and asset operation capabilities, to maximise the long-term leverage effect of capital on stabilizing scale, increasing efficiency and promoting transformation. Following the principle of “specialisation, intensification and refinement”, the Group has established a company specializing in the operation of expressways and rail transit based on full integration of its internal resources. CRCC brand and “investment-construction-operation” integrated development are gradually unfolding. In 2023, given full consideration to the investment operation segment’s requirement for certainty, balance and liquidity, the Group combined light and heavy assets as well as long- and short-term investments, and balanced capital turnover, return on investment and financial viability, which greatly improved the investment structure optimisation results, thus achieving sound and sustainable development of investment operation.

4. Real estate development

As one of the 16 enterprises directly under the central government taking real estate development as principal business as confirmed by the SASAC, the Group adheres to the principal of focus and restraining in business layout, implements exploration and in-depth development mainly in the urban clusters of Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei Region, Chengdu-Chongqing Region, Middle Reaches of Yangtze River, Coastal Regions of Guangdong, Fujian and Zhejiang. The Group adopts the business model of “giving priority to residential development supplemented by other industries” for real estate business, and resolutely establishes the position of “housing is for living in, not for speculation”, actively participated in government development and construction of government-subsidised housing and buyback housing, while strengthening the traditional residential housing development business, and further explored emerging businesses such as future community, TOD, etc., fully exerted the Company’s advantages in industrial chain, strengthened resource integration, and continuously enhanced the development quality of real estate development business. During the Reporting Period, the real estate sector continued to strengthen marketing and destocking. At the investment end, it enhanced risk awareness, increased industrial synergies, and took a prudent and steady approach to reserving quality land. The real estate segment was generally stable, recording sales amount of RMB121.395 billion, which ranked the 15th among real estate enterprises in China, consolidating the Company’s position in the industry.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

5. Manufacturing

The Group is a leading domestic and internationally advanced provider of materials and professional equipment manufacturing services integrating R&D, manufacturing, sales and services. After years of development, manufacturing operations cultivate three core businesses: equipment manufacturing, material production and precast concrete production. The business scope covers the manufacture of large railway track maintenance machinery, underground construction equipment, rail construction equipment, concrete construction equipment, lifting equipment, bridge construction equipment, compacting equipment, concrete products, bridge steel structures, turnout and spring bar fastener, and electric contact wire and parts. Leveraging its whole chain advantage, the Group actively promotes operating synergy and industry synergy and builds an integrated operation mode that incorporates multiple industries, so as to improve the competitiveness of the Company and the brand influence, and enhance overall profitability. In the meantime, it improves the weak links, and vigorously develops emerging businesses like new energy equipment, high-speed railroad maintenance equipment, high-end smart agricultural machinery, plateau space station, and new materials and the business of equipment maintenance, leasing and remanufacturing, to foster the “second growth curve.”

6. Materials and logistics

The Group takes materials and logistics as an important business to support its core business, provide coordinated services, reduce costs and improve efficiency. The Group possesses regional business outlets in important cities and logistics node cities across China, over 1.33 million sq.m of logistics sites and over 40,000 meters of special railway lines and 32,550 cubic meters of storage capacity of product oil. The Group provided integrated supply chain service through improvement of an efficient logistics informatisation, regionalisation and market-oriented service system. The Group formulates different development road maps and business models in accordance with the characteristics of the internal and external markets of the materials and logistics business. The internal market is the fundamental market for the development of materials and logistics business, adhering to the principle of “maintaining supply, assuring quality, reducing cost and improving value”, centralizing internal demand, and realizing volume-for-price swap to enhance the capability of obtaining quality resources and market competitiveness. The external market is an expanding market for the development of materials and logistics business, adhering to the principles of “optimizing layout, clustering resources, exploring markets, enhancing profitability and promoting brand”, and strengthening upstream and downstream extension services to achieve value enhancement and gain value returns in the process of services.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

7. Environmental protection

Responding actively to national strategies, the Group focuses on water- and forest-related environmental protection, and develops business in desertification control, soil remediation, mine rehabilitation, afforestation, and disaster prevention and mitigation, in accordance with major national ecological and environmental protection strategies and regional ecological and environmental objectives, aiming to lead green upgrading of infrastructure, build an industrial ecosystem, and make environmental protection a new growth source through project investment, construction and operation. The environmental protection business mainly generates income from contracting through the construction of environmental protection projects.

8. Industrial finance

The Group's industrial finance business follows the principle of serving the main business, focuses on the core positioning of "integrated financial service platform", gives full play to the main functions of "financial service provision, financial industry operation, financial resource allocation and financial risk prevention and control", and actively builds financial professional platforms such as centralised management platform for insurance resources, financial leasing service platform, industrial chain finance and innovative financial service platform, and industrial fund management platform. The industrial finance business mainly includes a number of financial products and services such as insurance brokerage, insurance agency, insurance adjustment, operating lease, financial lease, commercial factoring, supply chain finance, asset securitisation, financial technology, and industrial funds, giving full play to the advantages in business integration and linkage to create a closed-loop industrial financial ecosystem integrating "finance, investment, loan, insurance and lease", and realizing the financial service of "whole system, whole subject, whole scene and whole cycle".

(II) NEW CONTRACTS SIGNED BY THE COMPANY

In 2023, with high-quality development as its top priority, CRCC actively fit into and served the construction of a new development paradigm. It stuck to the direction of high-quality operations "with quality first and equal emphasis on structure and total quantity", remained oriented towards big markets, big projects and big customers, and gave full play to its advantages across the industry chain and throughout the life cycle of buildings, thereby optimizing the operation layout, improving the operation quality, and consolidating the operation basis.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

In 2023, the value of newly-signed contracts amounted to RMB3,293.8700 billion in the whole year, representing a year-on-year increase of 1.51%. The value of newly-signed contracts for domestic businesses amounted to RMB3,041.0245 billion, accounting for 92.32% of the total amount of newly-signed contracts and representing a year-on-year increase of 3.47%; the value of newly-signed contracts for overseas businesses amounted to RMB252.8455 billion, accounting for 7.68% of the total amount of newly-signed contracts and representing a year-on-year decrease of 17.38%. As of 31 December 2023, the amount of incomplete contracts of the Group totalled RMB6,689.8253 billion and representing a year-on-year increase of 5.14%. The value of incomplete contracts for domestic businesses amounted to RMB5,413.6091 billion, accounting for 80.92% of the total amount of incomplete contracts; the value of incomplete contracts for overseas businesses amounted to RMB1,276.2162 billion, accounting for 19.08% of the total amount of incomplete contracts. The indicators of newly-signed contract amounts in various industries are as follows:

Unit: '00 million Currency: RMB

No.	Industry type	Amount of newly-signed contracts from the beginning of 2023 to the end of the Reporting Period	Year-on-year increase/decrease ratio (%)	Explanation
1	Construction operation	20,269.503	8.82	/
2	Investment operation	5,705.828	-24.05	/
3	Environmental protection	2,559.460	34.24	The relatively significant year-on-year growth was mainly because the Group continued to practice green philosophy and Carbon Peaking and Neutrality requirements, and the market influence of its environmental protection business continued to expand.
4	Planning, design and consultancy	296.835	0.78	/
5	Manufacturing	417.526	11.88	/
6	Real estate development	1,236.856	-5.81	/
7	Materials and logistics	2,164.301	-3.77	/
8	Industrial finance	108.799	-4.62	/
9	Emerging industries	179.592	196.98	The overall size is small, and fluctuation is normal.
Total		32,938.700	1.51	/

Section IV Management Discussion and Analysis (Report of Directors) (continued)

In 2023, the amount of newly-signed contracts for infrastructure projects in construction operation, investment operation, and environmental protection sectors was RMB2,853.4791 billion, representing 86.63% of the total amount of newly-signed contracts and a year-on-year increase of 1.74%. The indicators of newly-signed contract amounts in various infrastructure projects are as follows:

Unit: '00 million Currency: RMB

No.	Business type	Amount of newly-signed contracts from the beginning of 2023 to the end of the Reporting Period	Year-on-year increase/decrease ratio (%)	Explanation
1	Railway projects	3,232.383	-34.06	The relatively significant year-on-year decrease was mainly due to the decrease of total railway project tenders during the Reporting Period over the same period last year under market influence.
2	Road projects	3,277.116	-21.53	/
3	Urban rail projects	1,334.738	4.01	/
4	House construction projects	11,640.393	23.61	/
5	Municipal projects	3,328.568	-19.92	/
6	Mining projects	1,305.789	21.23	/
7	Water conservancy and water transportation projects	1,552.764	87.32	The relatively significant year-on-year growth was mainly due to that the Group closely followed the national planning for river network construction, strengthened the contracting for projects of flood prevention, water resources, and water & soil conservation, and realised continuous growth of orders.
8	Airport projects	68.271	12.90	/
9	Electric projects	1,314.593	9.00	/
10	Other projects	1,480.176	57.78	/
Total		28,534.791	1.74	/

Section IV Management Discussion and Analysis (Report of Directors) (continued)

IV. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable Not Applicable

(I) Complete industry chain and leading position in the industry

The Group is one of the biggest and most powerful comprehensive construction groups in China and the world. It has a complete industry chain covering the upstream and downstream of the construction industry, enabling it to provide complete-process, full-cycle, personalised, tailored and high-quality services in construction operation, planning, design and consultancy, investment operation, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance, and emerging industries. It was listed among the Fortune “Global 500” consecutively, ranking No. 43 in 2023. It remained among the top 3 of the “Top 250 Global Contractors” by Engineering News-Record (ENR), an American magazine. Its business covers 32 provinces, autonomous regions and municipalities in China, as well as 143 countries and regions in the world. The Group has an A+H listed platform, sufficient bank credit, and the highest international rating for construction companies.

(II) Outstanding professional advantage and ample science and technology strength

CRCC has established its industry leadership in fields of engineering design and construction for high-speed railways, plateau railways, alpine railways, expressways and urban rail transits, and the technologies of deep underground and underwater engineering construction, magnetic levitation engineering construction and E&M system integration have achieved a leading level in the industry. Actively undertaking major national research projects, the Company led five national key research programs, led the research on the utilisation of deep underground space for future industries, and prepared a special implementation plan for large-scale application of Beidou. It also co-issued five ISO and IEC standards, which increased its voice in international standard setting. It was approved to establish a “National Key Laboratory for Intelligent Construction and Maintenance of Geotechnical and Tunnel Engineering in Extreme Environment”, marking a significant progress in its innovative platform construction. During the year, the Company was granted 6,831 new patents, including 2,008 patents for invention, representing a year-on-year increase of 65%. It received one China Patent Silver Award and seven Excellence Awards, ranking first among state-owned construction enterprises. It also won 14 China Civil Engineering Zhan Tianyou Awards, which hit a record high.

(III) Efficient management system and stable customer base

The Group has optimised its organisational structure in accordance with the principles of being scientific, reasonable, lean and efficient, by reducing the overlapping of organisations and cross-functionality, establishing rigid constraints on organisations and staffing, continuously adjusting and improving the organisational set-up, and comprehensively implementing lean management in organisation, operation and projects. It has preliminarily established a value creation-oriented basic management system that focuses on management improvement and aims at improving quality and efficiency. Adhering to the management principle of “people-oriented, trustworthy and law-abiding, being in harmony with nature, building quality products”, the Group has been intensively cultivating in the domestic and overseas construction industry and relevant industries. It has established the corporate value of “eternal integrity and innovation, equal emphasis on quality and integrity”, formed long-term and stable government relations, market resources and customer groups, and provided strong market support for the Company to expand its diversified business.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(IV) International well-known brand reputation

With a glorious history of over 75 years, the Group has designed and constructed over 50% of the high-speed and normal-speed railways, over 40% of the urban rail transit lines and approximately 30% of the high-grade and above highways in China. The Group has formulated the construction standard of more than 50% for high-speed railway in China, constructed more than 1,000 overseas projects, repeatedly set new records for the highest single contract value of China's foreign engineering contracts, won a high corporate reputation, and built two international well-known brands, namely CRCC and CCECC. CRCC ranked No.101 in the "2023 Report on Top 500 Global Brand Value" issued by Brand Finance, a globally well-known brand valuation and consultation institution.

(V) Refreshing and carrying forward the culture of railway corps

2023 marked the 75th anniversary of CRCC's establishment and the 40th anniversary of the transfer from soldiers to workers. CRCC issued the "First Top 10 Spirits of CRCC" which have a solid sentimental foundation, extensive ideological identification, and distinctive CRCC characteristics. The spirits are a unique and valuable spiritual asset of CRCC, and the most fundamental, profound and lasting power that drives CRCC's reform and development. The Group has continued to inherit and carry forward the spirit of railway corps. Guided by the "Cultural Guideline of CRCC" and the "Brand Declaration of CRCC", generations of CRCC people will work hard to make greater contribution to the construction of a world-class comprehensive construction group.

V. MAJOR OPERATIONAL PARTICULARS DURING THE REPORTING PERIOD

In 2023, the Group recorded revenue of RMB1,137.9935 billion, representing an increase of 3.80% as compared to the corresponding period last year. The net profit amounted to RMB32.3287 billion, representing an increase of 1.68% as compared to the corresponding period of last year. The newly signed contracts for the year amounted to RMB3,293.8700 billion, representing a year-on-year increase of 1.51%. For more details, please see "I. Discussion and Analysis on Business Operations".

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(I) Analysis of main businesses

1. Analysis on Changes of Relevant Items in Statement of Profit or Loss and Statement of Cash Flows

Unit: '000 Currency: RMB

Item	Current period	During the corresponding period last year	Change (%)
Revenue	1,137,993,486	1,096,312,867	3.80
cost of sales	1,019,683,082	985,747,674	3.44
Selling and distribution expenses	7,377,871	6,642,387	11.07
General and administrative expenses	23,466,318	21,873,045	7.28
Finance costs	4,661,449	3,578,296	30.27
Research and development expenses	26,725,454	25,003,936	6.88
Impairment losses on assets	-3,461,187	-3,050,914	13.45
Impairment of credit losses	-6,480,044	-4,887,824	32.58
Net cash flows generated from operating activities	20,412,048	56,134,952	-63.64
Net cash flows generated from investing activities	-55,909,151	-55,645,696	N/A
Net cash flows generated from financing activities	44,591,505	33,894,223	31.56

Section IV Management Discussion and Analysis (Report of Directors) (continued)

The change in revenue was mainly due to: the increase in business of construction and real estate during the Reporting Period.

The change in cost of sales was mainly due to: the increase in the cost of sales of business of construction and real estate during the Reporting Period.

The change in selling and distribution expenses was mainly due to: the increase in the amount of newly-signed contracts signed as a result of the increased investment in business contracting during the Reporting Period.

The change in general and administrative expenses was mainly due to: the increase in business scale during the Reporting Period.

The change in finance costs was mainly due to: the increase in interest expenses during the Reporting Period.

The change in research and development expenses was mainly due to: the increase in research and development efforts during the Reporting Period.

The change in impairment losses on assets was mainly due to: the provision for losses on property development products and contract assets during the Reporting Period.

The change in impairment of credit losses was mainly due to: the provision for losses on financial assets such as receivables during the Reporting Period.

The change in net cash flows generated from operating activities was due to: the increase in cash paid for purchase of goods and receipt of labour services during the Reporting Period.

The change in net cash flows generated from investing activities was due to: the increase in cash paid for acquisition of fixed assets, intangible assets and other long-term assets during the Reporting Period.

The change in net cash flows generated from financing activities was due to: the increase in cash received for borrowings during the Reporting Period.

Detailed Explanation on Major Change of the Company's Business Types, Profit Structure or Sources of Profit During Current Period

Applicable Not applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

2. Analysis of the revenue and costs

Applicable Not applicable

(1) Main Business by Segment and Region

Unit: '000 Currency: RMB

Main Businesses by Segment

By segment	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue as compared to last year (%)	Increase/decrease in cost of sales as compared to last year (%)	Increase/decrease in gross profit margin as compared to last year (%)
Construction operation	987,324,503	899,710,484	8.87	2.34	2.05	Increased by 0.26 percentage point
Planning, design and consultancy	18,753,979	10,639,455	43.27	-7.60	-18.27	Increased by 7.41 percentage points
Manufacturing operation	23,999,340	18,695,501	22.10	-2.96	-2.39	Decreased by 0.46 percentage point
Real estate development operation	83,271,759	73,105,034	12.21	33.76	36.55	Decreased by 1.79 percentage points
Materials and logistics and other businesses	95,865,783	88,252,019	7.94	0.38	-0.17	Increased by 0.51 percentage point
Inter-segment elimination	-71,221,878	-70,719,411	/	/	/	/
Total	1,137,993,486	1,019,683,082	10.40	3.80	3.44	Increased by 0.31 percentage point

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Main Business by Region

By region	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue as compared to last year (%)	Increase/decrease in cost of sales as compared to last year (%)	Increase/decrease in gross profit margin as compared to last year (%)
Domestic	1,077,683,620	963,518,918	10.59	3.40	2.96	Increased by 0.38 percentage point
Overseas	60,309,866	56,164,164	6.87	11.52	12.56	Decreased by 0.86 percentage point
Total	1,137,993,486	1,019,683,082	10.40	3.80	3.44	Increased by 0.31 percentage point

Notes:

1. Due to the unique nature of the business of the Group, the main businesses of the Group are analysed by segment.
2. The data of the main businesses are still classified as construction operation, planning, design and consultancy operation, manufacturing operation, real estate development operation, materials and logistics and other businesses.

Main Business by Segment

- ① Construction operation

Construction operation (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	2023	2022	Growth Rate (%)
Revenue	987,324,503	964,715,806	2.34
Cost of sales	899,710,484	881,642,643	2.05
Gross profit	87,614,019	83,073,163	5.47
Gross profit margin (%)	8.87	8.61	Increased by 0.26 percentage point
Selling and distribution expenses	2,992,980	2,511,161	19.19
General and administrative expenses and research and development expenses	41,113,738	38,329,806	7.26
Profit before tax	26,625,512	24,239,316	9.84

Section IV Management Discussion and Analysis (Report of Directors) (continued)

② Planning, design and consultancy operation

Planning, Design and Consultancy Operation (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	2023	2022	Growth Rate (%)
Revenue	18,753,979	20,295,857	-7.60
Cost of sales	10,639,455	13,018,107	-18.27
Gross profit	8,114,524	7,277,750	11.50
Gross profit margin (%)	43.27	35.86	Increased by 7.41 percentage points
Selling and distribution expenses	1,026,665	1,287,889	-20.28
General and administrative expenses and research and development expenses	2,971,882	2,476,845	19.99
Profit before tax	3,934,581	4,005,605	-1.77

③ Manufacturing operation

Manufacturing Operation (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	2023	2022	Growth Rate (%)
Revenue	23,999,340	24,732,316	-2.96
Cost of sales	18,695,501	19,152,923	-2.39
Gross profit	5,303,839	5,579,393	-4.94
Gross profit margin (%)	22.10	22.56	Decreased by 0.46 percentage point
Selling and distribution expenses	764,992	640,956	19.35
General and administrative expenses and research and development expenses	2,444,415	2,387,879	2.37
Profit before tax	2,555,303	2,787,768	-8.34

Section IV Management Discussion and Analysis (Report of Directors) (continued)

④ Real estate development operation

Real Estate Development Operation (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	2023	2022	Growth Rate (%)
Revenue	83,271,759	62,253,669	33.76
Cost of sales	73,105,034	53,535,614	36.55
Gross profit	10,166,725	8,718,055	16.62
Gross profit margin (%)	12.21	14.00	Decreased by 1.79 percentage points
Selling and distribution expenses	1,641,100	1,357,626	20.88
General and administrative expenses and research and development expenses	1,407,295	1,236,426	13.82
Profit before tax	3,021,722	3,705,185	-18.45

The change in revenue and cost of sales of the real estate development operation was mainly due to: the increase in deliverables during the Reporting Period.

⑤ Materials and logistics and other businesses

Materials and Logistics and Other Businesses (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	2023	2022	Growth Rate (%)
Revenue	95,865,783	95,498,518	0.38
Cost of sales	88,252,019	88,405,932	-0.17
Gross profit	7,613,764	7,092,586	7.35
Gross profit margin (%)	7.94	7.43	Increased by 0.51 percentage point
Selling and distribution expenses	952,134	844,755	12.71
General and administrative expenses and research and development expenses	2,254,442	2,446,025	-7.83
Profit before tax	2,378,500	3,589,817	-33.74

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(2) *Table of production and sales*

Applicable Not applicable

(3) *Performance of major procurement contracts and major sales contracts*

Applicable Not applicable

(4) *Cost analysis table*

Unit: '000 Currency: RMB

By segment	Item relating to cost composition	Amount in current period	Particulars by segment		Percentage to the total cost for the corresponding period last year (%)	Percentage changes in the amount for the period as compared to that of the corresponding period last year (%)	Condition explanation
			Percentage to the total cost for the period (%)	Amount for the corresponding period last year			
Construction operation	/	899,710,484	82.51	881,642,643	83.51	2.05	
Planning, design and consultancy operation	/	10,639,455	0.98	13,018,107	1.23	-18.27	
Manufacturing operation	/	18,695,501	1.72	19,152,923	1.82	-2.39	
Real estate development operation	/	73,105,034	6.70	53,535,614	5.07	36.55	Mainly due to the increase in the deliverables during the Reporting Period
Materials and logistics and other businesses	/	88,252,019	8.09	88,405,932	8.37	-0.17	
Total for the above	/	1,090,402,493	100.00	1,055,755,219	100.00	3.28	
Including:	Labour cost	333,957,716	30.63	326,462,644	30.92	2.30	
	Materials expenses	457,284,040	41.94	442,882,725	41.95	3.25	
	Machinery expense	117,262,297	10.75	113,795,704	10.78	3.05	
	Other cost	181,898,440	16.68	172,614,146	16.35	5.38	
Inter-segment elimination	/	-70,719,411	-	-70,007,545	-	-	
Total	/	1,019,683,082	100.00	985,747,674	100.00	3.44	

Notes:

- Due to the unique nature of the business of the Group, the main businesses of the Group are analyzed by segments.
- The data of the main businesses are still classified as construction operation, planning, design and consultancy operation, manufacturing operation, real estate development operation, materials and logistics and other businesses.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(5) *Changes in consolidation scope caused by changes in equity of major subsidiaries during the Reporting Period*

Applicable Not applicable

(6) *Major changes or adjustments in the Company's business, products, or services during the Reporting Period*

Applicable Not applicable

(7) *Major sales customers and suppliers*

A. Major sales customers of the Company

Applicable Not applicable

The sales to the top five customers was RMB43,236.275 million, accounting for 3.80% of the total annual sales; among which the sales to related parties amounted to RMB0, accounting for 0% of the total annual sales.

Indicate whether the proportion of sales to a single customer exceeded 50% of the total, there were new customers in the top five customers, or the Company was heavily dependent on a few customers during the Reporting Period.

Applicable Not applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

B. Major suppliers of the Company

Applicable Not applicable

The purchase amount from the top five suppliers was RMB4,358.094 million, accounting for 0.43% of the total annual purchase; among which the purchase amount from related parties amounted to RMB0, accounting for 0% of the total annual purchase.

Indicate whether the proportion of the purchase amount from a single supplier exceeded 50% of the total, there were new suppliers in the top five suppliers, or the Company was heavily dependent on a few suppliers during the Reporting Period.

Applicable Not applicable

3. Expenses

Applicable Not applicable

In 2023, the Group's selling and distribution expenses amounted to RMB7.3779 billion, representing an increase of 11.07% as compared to that in 2022. The increase in selling and distribution expenses was mainly attributable to the increase in the amount of newly-signed contracts signed as a result of the increased investment in business contracting during the Reporting Period.

In 2023, the general and administrative expenses of the Group was RMB23.4663 billion, representing an increase of 7.28% as compared to that in 2022, mainly caused by the expansion in the business scale.

In 2023, the research and development expenses of the Group was RMB26.7255 billion, representing an increase of 6.88% as compared to that in 2022, mainly due to the increase in R&D efforts.

In 2023, the finance costs of the Group were RMB4.6614 billion, representing an increase of 30.27% as compared to that in 2022, mainly due to the simultaneous increase in interest expenses.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

In 2023, the Group's income tax expenses amounted to RMB6.4994 billion, representing an increase of 7.78% as compared to that of 2022, mainly due to the increase in total profit for the year as a result of expanded business scale in this year. The details of income tax expenses are shown in the following table:

Unit: '000 Currency: RMB

Item	2023	2022
Current income tax expenses	8,319,255	7,255,064
Deferred income tax expenses	-1,819,832	-1,224,892
Total income tax expenses	6,499,423	6,030,172

4. R&D investment

(1) Table of R&D investment

Applicable Not applicable

Unit: '000 Currency: RMB

Expense-type research and development expenses for the current period	26,725,454
Capitalised research and development expenses for the current period	23,499
Total R&D expenditures	26,748,953
Proportion of total research and development expenses to the revenue (%)	2.35
Percentage of capitalised R&D investment (%)	0.09

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(2) *Table of R&D personnel*

Applicable Not applicable

Unit: Person

Number of R&D personnel in the Company	28,832
Proportion of R&D personnel in the total number of Company employees (%)	10.77

Educational structure of R&D personnel	
Category	Number of persons
Doctoral degree	337
Master's degree	6,721
Bachelor's degree	17,030
Junior college	4,621
Senior high school and below	123

Age structure of R&D personnel	
Category	Number of persons
Under 30 (excluding 30)	8,635
30–40 (including 30, excluding 40)	14,934
40–50 (including 40, excluding 50)	4,316
50–60 (including 50, excluding 60)	947
60 and above	0

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(3) *Explanation*

Applicable Not applicable

(4) *Reasons for major changes in R&D personal composition and its influence on the Company's future development*

Applicable Not applicable

5. Capital expenditure

The Group's capital expenditures are mainly used for the purchase or construction and technical upgrading of equipment and facilities, as well as for the construction of PPP and BOT projects. During the Reporting Period, the Group's capital expenditures amounted to RMB35.3478 billion, representing an increase of RMB5.088 billion as compared to that of 2022, up 16.82% year on year.

Unit: '000 Currency: RMB

Segment	2023	2022
Construction operation	22,297,835	18,731,241
Planning, design and consultancy operation	551,127	219,571
Manufacturing operation	3,539,340	1,621,993
Real estate development operation	1,005,668	1,237,873
Other businesses	7,953,856	8,449,616
Total	35,347,826	30,260,294

Section IV Management Discussion and Analysis (Report of Directors) (continued)

6. Cash flows

Applicable Not applicable

Unit: '000 Currency: RMB

Item	2023	2022	Growth (%)
Net cash flows generated from operating activities	20,412,048	56,134,952	-63.64
Net cash flows generated from investing activities	-55,909,151	-55,645,696	N/A
Net cash flows generated from financing activities	44,591,505	33,894,223	31.56

During the Reporting Period, the net cash flows generated from operating activities of the Group was a net inflow of RMB20.4120 billion, representing a decrease of RMB35.7229 billion in net inflow as compared to that of last year, mainly due to the increase in cash paid for purchase of goods and receipt of labor services during the Reporting Period.

During the Reporting Period, the net cash flows generated from investing activities of the Group was a net outflow of RMB55.9092 billion, representing an increase of RMB0.2635 billion in net outflow as compared to that of last year, mainly due to the increase in cash paid for acquisition of fixed assets, intangible assets and other long-term assets during the Reporting Period.

During the Reporting Period, the net cash flows generated from financing activities of the Group was a net inflow of RMB44.5915 billion, representing an increase of RMB10.6973 billion in net inflow as compared to that of last year, which was mainly due to the year-on-year increase in cash received from borrowings during the Reporting Period.

(II) Explanation for the significant changes in profits due to non-main business

Applicable Not applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Unit: '000 Currency: RMB

Name of item	Amount at the end of this year	Percentage of the amount at the end of this year to the total assets (%)	Amount at the end of last year	Percentage of the amount at the end of last year to the total assets (%)	Percentage of the amount at the end of this year as compared to that of last year (%)	Explanation
Cash and bank balances	166,957,837	10.04	158,424,810	10.40	5.39	
Held-for-trading financial assets	1,629,785	0.10	961,298	0.06	69.54	It is mainly due to the reclassification of the Group's long-term investments in financial assets in previous years as they approach maturity.
Notes receivable	3,229,041	0.19	8,495,031	0.56	-61.99	It is mainly due to the decrease in the proportion of payment by commercial acceptance bill by customers during the Reporting Period.
Receivables at fair value through other comprehensive income	2,723,520	0.16	3,321,965	0.22	-18.01	
Trade receivables	155,809,067	9.37	141,229,619	9.27	10.32	
Advances to suppliers	21,712,629	1.31	27,473,837	1.80	-20.97	
Other receivables	56,902,615	3.42	66,050,468	4.33	-13.85	
Inventories	307,642,792	18.50	299,818,526	19.67	2.61	
Contract assets	291,782,104	17.55	254,463,518	16.70	14.67	
Other current assets	26,831,432	1.61	23,674,072	1.55	13.34	
Other non-current financial assets	10,287,149	0.62	8,387,687	0.55	22.65	
Other equity instrument investments	12,575,571	0.76	11,940,051	0.78	5.32	
Long-term receivables	109,859,078	6.61	80,554,812	5.29	36.38	It is mainly due to the increase in the Group's long-term construction receivables during the Reporting Period.
Long-term equity investments	149,278,357	8.98	127,985,238	8.40	16.64	
Fixed assets	73,269,486	4.41	66,085,799	4.34	10.87	
Right-of-use assets	7,140,700	0.43	5,154,357	0.34	38.54	It is mainly due to the increase in leased premises and buildings during the Reporting Period.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Name of item	Amount at the end of this year	Percentage of the amount at the end of this year to the total assets (%)	Amount at the end of last year	Percentage of the amount at the end of last year to the total assets (%)	Percentage of the amount at the end of this year as compared to that of last year (%)	Explanation
Intangible assets	69,736,458	4.19	62,530,742	4.10	11.52	
Short-term loans	81,839,758	4.92	51,367,562	3.37	59.32	It is mainly due to the Group's supplement of current funds during the Reporting Period.
Notes payable	53,461,242	3.21	89,607,342	5.88	-40.34	It is mainly due to the decrease in the proportion of payment by bill of exchange by the Group during the Reporting Period.
Trade payables	491,567,214	29.56	425,568,938	27.93	15.51	
Advances from customers	233,083	0.01	311,908	0.02	-25.27	
Contract liabilities	150,196,302	9.03	164,118,787	10.77	-8.48	
Other payables	106,058,137	6.38	100,528,887	6.60	5.50	
Other current liabilities	33,694,786	2.03	31,594,097	2.07	6.65	
Long-term loans ^{Note 1}	197,826,997	11.90	153,547,310	10.08	28.84	
Bonds payable ^{Note 2}	43,205,227	2.60	45,194,975	2.97	-4.40	
Lease liabilities	4,080,407	0.25	2,451,292	0.16	66.46	It is mainly due to the increase in leased premises and buildings during the Reporting Period.
Long-term payables	41,263,172	2.48	34,800,914	2.28	18.57	
Employee benefits payable ^{Note 3}	16,208,826	0.97	14,026,058	0.92	15.56	
Other non-current liabilities	1,314,702	0.08	692,626	0.05	89.81	It is mainly due to the increase in the amounts to be transferred to output VAT of the Group during the Reporting Period.

Note 1. "Long-term loans" includes "current portion of long-term loans".

Note 2. "Bonds payable" includes "current portion of bonds payable".

Note 3. "Employee benefits payable" is the sum of the "employee benefits payable" in the current liabilities and the "long-term employee benefits payable" in the non-current liabilities plus the "current portion of post-employment benefits".

Section IV Management Discussion and Analysis (Report of Directors) (continued)

2. Overseas assets

Applicable Not applicable

(1) Asset size

Including: overseas assets of 97,355,674 (Unit: '000 Currency: RMB), accounting for 5.85% of total assets.

(2) Explanation for high proportion of overseas assets

Applicable Not applicable

3. Restricted major assets as at the end of the Reporting Period

Applicable Not applicable

For details of restricted major assets of the Group as at the end of the Reporting Period, please refer to Note V, "67. Assets with title restrictions" in Note V to the Financial Report.

4. Financial assets as at the end of the Reporting Period

The Group classifies the financial assets mainly according to the characteristics of its own businesses, risk management requirements and the purpose of holding such financial assets.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

As at 31 December 2023, the Group's financial assets were as follows:

Unit: '000 Currency: RMB

Item	Classified as financial assets at fair value through other comprehensive income	Designated as financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Total
Notes receivable	-	-	-	3,229,041	3,229,041
Trade receivables	-	-	-	155,809,067	155,809,067
Accounts receivable financing	2,723,520	-	-	-	2,723,520
Loans and advances to customers	-	-	-	1,686,305	1,686,305
Other receivables (excluding petty cash)	-	-	-	56,390,029	56,390,029
Other current assets	-	-	-	3,025,640	3,025,640
Long-term receivables	-	-	-	109,859,078	109,859,078
Cash and bank balances	-	-	-	166,957,837	166,957,837
Held-for-trading financial assets	-	-	1,629,785	-	1,629,785
Debt investments	-	-	-	6,016,176	6,016,176
Other debt investments	5,115,845	-	-	-	5,115,845
Other equity instrument investments	-	12,575,571	-	-	12,575,571
Other non-current financial assets	-	-	10,287,149	-	10,287,149
Current portion of non-current assets	6,963,058	-	-	15,035,191	21,988,249
Total	14,802,423	12,575,571	11,916,934	518,008,364	557,303,292

Section IV Management Discussion and Analysis (Report of Directors) (continued)

As at 31 December 2023, the Group's financial liabilities were as follows:

Unit: '000 Currency: RMB

Item	Other financial liabilities	Total
Short-term loans	81,839,758	81,839,758
Due to customers	1,356,691	1,356,691
Notes payable	53,461,242	53,461,242
Trade payables	491,567,214	491,567,214
Other payables	106,058,137	106,058,137
Current portion of non-current liabilities (excluding employee benefits payable, estimated liabilities and lease liabilities due within one year)	52,111,844	52,111,844
Other current liabilities (Continuing involvement in liabilities)	230,850	230,850
Long-term loans	165,621,478	165,621,478
Bonds payable	31,031,549	31,031,549
Long-term payables (excluding special payables)	41,052,575	41,052,575
Other non-current liabilities (Continuing involvement in liabilities)	798,800	798,800

5. Working capital

(1) Trade receivables

Trade receivables of the Group increased from RMB141.2296 billion as at 31 December 2022 to RMB155.8091 billion as at 31 December 2023, representing an increase of RMB14.5795 billion. The Board of the Company is of the view that the Group has accrued sufficient impairment of credit losses.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

The following table sets forth the aging analysis of trade receivables as at the balance sheet date indicated:

Unit: '000 Currency: RMB

Age	31 December 2023	31 December 2022
Within 1 year	116,204,747	106,339,111
1–2 years	32,760,675	29,563,912
2–3 years	12,597,237	10,679,319
Over 3 years	12,285,145	9,863,060
Subtotal	173,847,804	156,445,402
Less: Impairment of credit losses	18,038,737	15,215,783
Total	155,809,067	141,229,619

The following table sets forth the turnover days of the trade receivables and trade payables of the Group as at the balance sheet dates indicated:

Item	2023	2022
Turnover days of trade receivables <i>Note 1</i>	53	54
Turnover days of trade payables <i>Note 2</i>	164	146

Note 1. The number of turnover days of trade receivables is derived by dividing the arithmetic mean of the opening and closing balances of trade receivables for the relevant year by revenue multiplying 365 days.

Note 2. The number of turnover days of trade payables is derived by dividing the arithmetic mean of the opening and closing balances of trade payables for the relevant year by cost of sales multiplying 365 days.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(2) Trade payables

Trade payables of the Group increased from RMB425.5689 billion as at 31 December 2022 to RMB491.5672 billion as at 31 December 2023, representing an increase of RMB65.9983 billion, mainly due to the expansion of business scale during the Reporting Period, resulting in the increase in trade payables.

The following table sets forth the aging analysis of trade payables as at the balance sheet date indicated:

Unit: '000 Currency: RMB

Age	31 December 2023	31 December 2022
Within 1 year	481,905,215	416,162,468
1–2 years	6,632,866	6,496,421
2–3 years	2,006,849	1,986,922
Over 3 years	1,022,284	923,127
Total	491,567,214	425,568,938

6. Advances to suppliers and other receivables

Advances to suppliers and other receivables of the Group decreased from RMB93.5243 billion as at 31 December 2022 to RMB78.6152 billion as at 31 December 2023, representing a decrease of RMB14.9091 billion, or 15.94%, mainly due to the decrease in prepayments for projects and land and receivable for cooperative development during the Reporting Period.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

7. Defined benefit plan

Certain employees of the Group had completely dealt with their respective long-term post-leaving. Post-employment benefits were recognised in the period in which the relevant entities of the Group have entered into agreements with the employees specifying terms, or after the individual employees have been advised of the specific terms. The specific terms vary among the terminated and post-employment benefits depending on various factors including their positions, length of service, and the district in which the employees are located.

As at 31 December 2022 and 31 December 2023, the Group held the provisions of such obligations hereof amounting to RMB0.1151 billion and RMB0.0871 billion, respectively.

8. Liabilities

(1) Borrowing

The short-term loans of the Group as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Pledged loans	3,501,593	631,362
Mortgaged loans	–	–
Guaranteed loans	1,498,950	3,243,900
Credit loans	76,839,215	47,492,300
Total	81,839,758	51,367,562

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Other current liabilities of the Group as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Other current liabilities	33,694,786	31,594,097

Note: For more details, please refer to “36. Other current liabilities” in Note V to the Financial Report in this report.

The long-term loans of the Group as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Pledged loans	46,162,594	38,557,624
Mortgaged loans	23,030,661	24,220,319
Guaranteed loans	8,844,955	11,105,099
Credit loans	87,583,268	59,532,386
Total	165,621,478	133,415,428

Section IV Management Discussion and Analysis (Report of Directors) (continued)

The maturity profile of the long-term loans as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Within one year or paid on demand	32,205,519	20,131,882
In the second year (inclusive)	42,917,553	31,883,891
In the third to fifth year (inclusive)	70,846,881	58,546,047
Over five years	51,857,044	42,985,490
Total	197,826,997	153,547,310

The bonds payable of the Group as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Total bonds payable	43,205,227	45,194,975
Less: Total bonds payable due within one year	12,173,678	17,098,279
Total bonds payable due one year later	31,031,549	28,096,696

Gearing ratio analysis:

As at 31 December 2023 and 31 December 2022, the gearing ratios of the Group were 67% and 66%, respectively. Gearing ratio is the ratio of the net liabilities to capital plus net liabilities. Net liabilities include the sum of all the borrowings, deposit taking, other current liabilities, bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), net amount of non-current liabilities due within one year (excluding long-term employee compensation payable and projected liabilities due within one year) and other non-current liabilities after deducting the monetary capital.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(2) Commitments

The material commitments of the Group as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Capital commitments	3,806,127	2,131,496
Investment commitments	69,708,257	69,984,621
Other commitments	–	–
Total	73,514,384	72,116,117

(3) Contingent liabilities

During the Reporting Period, the Group had no material contingent liabilities.

(4) Mortgage and pledge of assets

The mortgage and pledge of assets of the Group as at 31 December 2023 and 31 December 2022 were as follows:

Unit: '000 Currency: RMB

Item	31 December 2023	31 December 2022
Intangible assets	44,838,636	43,881,171
Inventories	45,687,542	59,933,128
Other non-current assets	14,856,837	14,937,347
Cash and bank balances	13,060,657	13,480,644
Construction in progress	3,030,237	2,868,791
Trade receivables	9,619,878	1,757,880
Fixed assets	2,955,270	2,636,141
Bills receivable	–	23,850
Long-term receivables	5,435,799	1,177,072

For details, please refer to “67. Assets with title restrictions” in Note V to the Financial Report in this report.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

9. Other Explanation

Applicable Not applicable

(IV) Analysis of industrial operation information

Applicable Not applicable

The businesses of the Group cover construction operation, planning, design and consultancy, investment operation, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries. According to the Industry Classification Results of Listed Companies issued by CSRC, the Group is in construction industry. For details of the industry analysis of the business segments of the Group, please refer to relevant content of the “II. Industry Situation of the Company during the Reporting Period” and “III. Operations of the Company during the Reporting Period” of this section. The analysis of the information about the Group’s construction operation and real estate development operation are as follows:

Operation Information Analysis on Construction Industry

1. Economic situation and policy analysis on construction industry

For details, please refer to relevant content of the “II. Industry Situation of the Company during the Reporting Period” and “III. Operations of the Company during the Reporting Period” of this section.

2. Projects completed and accepted during the Reporting Period

Applicable Not applicable

Unit: '0,000 Currency: RMB

Segment	Housing construction	Infrastructure projects	Professional engineering	Architectural decoration	Others	Total
Number of projects	702	1,471	-	7	132	2,312
Total amount	15,697,413	41,337,739	-	21,449	1,022,846	58,079,447

Note: Infrastructure projects mainly consist of railway construction, highway construction, urban rail transit projects, municipal engineering, hydroelectric engineering as well as airports and wharves projects.

Applicable Not applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Unit: '0,000 Currency: RMB

Project region	Number of projects	Total amount
Domestic	2,045	53,464,836
Overseas	267	4,614,611
Including:		
Oceania	21	108,595
Africa	133	2,515,352
Latin America	10	347,239
Europe	4	122,302
Asia	99	1,521,123
Total	2,312	58,079,447

Other explanation

Applicable Not applicable

3. Projects under construction during the reporting period

Applicable Not applicable

Unit: '0,000 Currency: RMB

Segment	Housing construction	Infrastructure projects	Professional engineering	Architectural decoration	Others	Total
Number of projects	3,366	6,786	24	45	1,116	11,337
Total amount	150,280,345	405,951,870	493,623	489,081	18,962,195	576,177,114

Note: Infrastructure projects mainly consist of railway construction, highway construction, urban rail transit projects, municipal engineering, hydroelectric engineering as well as airports and wharves projects.

Applicable Not applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Unit: '0,000 Currency: RMB

Project region	Number of projects	Total amount
Domestic	9,716	461,651,213
Overseas	1,621	114,525,901
Including:		
Oceania	72	582,775
Africa	703	58,116,144
Latin America	163	14,364,356
Europe	240	8,509,333
Asia	443	32,953,293
Total	11,337	576,177,114

Other Explanation

Applicable Not applicable

4. Major projects under construction

Applicable Not applicable

Other Explanation

Applicable Not applicable

5. Total of newly-signed projects during the Reporting Period

Applicable Not applicable

During the Reporting Period, the total number of newly-signed projects was 6,482, and the amount was RMB2,853.4791 billion.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

6. Order backlog as at the end of the Reporting Period

Applicable Not applicable

At the end of the Reporting Period, the total amount of order backlog was RMB5,002.1 billion. Among them, the amount for projects already signed of contracts but not yet commenced was RMB2,522.2 billion, and the amount for outstanding portion of the projects under construction was RMB2,479.9 billion.

Other Explanation

Applicable Not applicable

7. Other Explanation

Applicable Not applicable

(1) Qualifications for the construction industry obtained during the Reporting Period

The Group is one of the enterprises with the highest qualification level, the most complete qualifications, and the largest number of qualifications in the construction industry in China. During the Reporting Period, the Group has newly obtained five extra grade qualifications as general contractor for construction enterprises. As at the end of the Reporting Period, it had a total of 2,718 qualifications for various construction enterprises, of which 100 were extra grade qualifications for general contracting and 429 were first-level qualifications. In the field of engineering design survey, the Group had 246 engineering design qualifications and 62 engineering survey qualifications.

(2) Analysis on the proportion of the revenue from engineering projects to the total incomes of the Company for the last three years

Unit: '000 Currency: RMB

	2023		2022		2021	
	Revenue	Proportion of the Company's revenue (%)	Revenue	Proportion of the Company's revenue (%)	Revenue	Proportion of the Company's revenue (%)
Construction operation	987,324,503	86.76	964,715,806	88.00	893,820,474	87.63
Including: Infrastructure projects	600,154,229	52.74	569,483,809	51.95	511,972,808	50.19
Housing construction	250,729,211	22.03	260,716,356	23.78	222,746,676	21.84
Total revenue	1,137,993,486	100.00	1,096,312,867	100.00	1,020,010,179	100.00

Section IV Management Discussion and Analysis (Report of Directors) (continued)

- (3) *Analysis on the main cost composition of the engineering projects for the last three years*

Unit: '000 Currency: RMB

	2023		2022		2021	
	Cost of sales	Proportion of the Company's cost of sales (%)	Cost of sales	Proportion of the Company's cost of sales (%)	Cost of sales	Proportion of the Company's cost of sales (%)
Construction operation	899,710,484	88.23	881,642,643	89.44	823,370,133	89.29
Including: Infrastructure projects	549,199,313	53.86	521,567,162	52.91	477,599,931	51.79
Housing construction	227,105,555	22.27	240,844,813	24.43	206,165,832	22.36
Total cost of sales	1,019,683,082	100.00	985,747,674	100.00	922,126,888	100.00

There were no significant changes in the main cost composition of the engineering projects of the Group for the past three years.

- (4) *Financing arrangement*

For details, please refer to “(8) Liabilities” in “V. (III) Analysis of Assets and Liabilities” of this section.

- (5) *Quality control system, executive standards, control measures and overall evaluation of the Company*

The Company attaches great importance to quality development, seriously implements the spirit of national quality development outline, strictly carries out relevant quality standards, promotes quality responsibility system on project end, pushes forward engineering project excellence activities, and ensures the stable and controllable quality management. No material issues related to project quality have been identified in the whole system.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

The Company's controlling measures include the establishment of a sound quality management organisation and system. The first was to strengthen quality management, organise and develop the all-staff quality management activity, implement the quality education on quality laws and regulations, quality management knowledge, etc., enlarge the degree of publicity, fully mobilize the staff to participate in quality management activities, strengthen the all-staff quality awareness, organise and develop post occupational training, enhance the professional quality of personnel on various levels, and effectively fulfil statutory quality obligations. The second was to actively develop project excellence creation activity, according to the "Management Regulations on CRCC Excellent Project Creation", continuously promote the process refined quality management, promote the comprehensive enhancement of quality management level, comprehensively develop quality management team activities, take care of excellence creation planning, implement excellence creation in process, and realise excellence creation goals. The third was to strengthen the red line management of railway project quality, deploy and develop red line management work of railway projects according to the "Management Regulation on Quality and Safety Red Line of Railway Construction Projects" issued by the China State Railway Group Co., Ltd., practically strengthen the quality and safety awareness and key process control in railway projects, ensure the quality and safety of projects to be under comprehensive control, and enhance the quality and safety level of railway construction projects.

The quality control system of the Company is developed in accordance with national standards including GB/T 19001-2016/ISO 9001:2015 and GB/T 50430-2017. The Company's controlling measures include the establishment of a sound quality management organisation and system. During the Reporting Period, the Company passed the supervision review of China Certification Centre for certificate renewal. Its management systems and documents met the standard requirements, and the management system ran effectively, and the management of each process from investment, design, construction to operation processes was in line with the "process method" in an orderly manner with further improvement. The registration and authentication qualification of the quality management systems of the Company is continuously maintained and the number of certificates is 02121Q10824R7M and U006621Q0239R7M.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(6) Operation of work safety system of the company

In 2023, CRCC thoroughly studied the spirit of General Secretary Xi Jinping's important expositions and instructions on safe production, adhered to the principle of people first and life first, put the protection of employees' lives and safety in the first place, held a number of meetings of the Standing Committee of the Party Committee, the President Office and the Safety Committee to study the work on production safety, took effective measures to prevent risks and eliminate hidden dangers, promoted high-quality development and high-level positive safety interaction, and ensured a basically stable production safety situation. The first was to make the safety management system sounder. The Company increased the input in four key areas, including safety production personnel, technology, equipment, and funds, strengthened the implementation of all-staff safety responsibility system, terminal safety control, safety education training, assessment, rewards and punishments, information empowerment, emergency rescue disposal efficiency, accident responsibility investigation, safety culture construction, and other key work, promoted the transformation of safety production governance model to beforehand prevention, revised the "Management Regulations on Safety Production Accidents", continued the building of a regular production safety supervision and inspection mechanism, and improved the level of safety production supervision over projects under construction. The second was to make the safety production mechanism more complete. The Company took various measures to do a good job in safety production, established a quarterly accident (disaster event) notification and analysis mechanism, held regular accident notification meetings, improved the meeting mechanism of safety committee at all levels (safety production leading group), developed the coordination mechanism for the pumped-storage power station projects, and set up a special work shift of "three checks and one joint prevention", strengthened the integration of production and operation, to ensure the market on site and promote the market on site. The third was to make the terminal safety control better. The Company issued the "Guidance on Strengthening the Regulations on Terminal Safety Control (Trial)", improved the safety assessment plan on business contracting and guarantee, and upgraded the "safety production evaluation and assessment system". The fourth was to make the special safety production actions more solid. The Company launched special campaigns, including safety management enhancement year event, the in-depth investigation and rectification of potential safety hazards, and the 100-day safety production activities. The fifth was to make the emergency rescue disposal more effective. The Company revised and improved the emergency plan for safety production accidents (disaster events), strengthened the building of professional emergency rescue teams, intensified the presetting of engineering rescue forces, and organised the second-level units to actively participate in the emergency rescue and disaster relief in heavy rainfall-stricken northeast China, Beijing, Tianjin and Hebei province and the earthquake disaster relief in Jishishan, Gansu province. The sixth was to make the all-staff safety culture atmosphere stronger. The Company launched the learning, publicity, and education activities such as safety production month, held online training courses, developed the code for safety practices, organised the preparation of safety operation procedures for various types of work, and promoted the all-staff transformation of "being asked to work safely" to "wanting to work safely" and "being able to work safely".

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Analysis for operation information of real estate industry

1. Analysis on economic trend and policies of real estate industry

For details, please refer to relevant content of the “II. Industry Situation of the Company during the Reporting Period” and “III. Operations of the Company during the Reporting Period” of this section.

2. Reserve of real estate during the Reporting Period

Applicable Not applicable

During the Reporting Period, the Group adhered to prudent and steady land reserve strategy, at the time of market downturn, the Company strengthened project judgment, strictly controlled investment risk, promoted coordinated industrial operation, reserved multiple relatively high-quality lands with good urban resources and relatively high segment level. Throughout the year, the Company obtained 39 land parcels in 21 cities including Shanghai, Xi'an, Chengdu, Guangzhou, Hefei, etc., with total equity area of 4.7364 million square meters, and total equity land price of RMB58.408 billion, obtained average land premium ratio of 6.58%. Among the obtained projects, 36 land parcels were obtained in Tier I and II cities, accounting for 92% of the total. As of the end of the Reporting Period, the Group has implemented the development and construction of 505 projects in 95 Chinese cities. The total land area for construction was about 41.4171 million square meters, with planned total building area of 131.6382 million square meters, a tiered layout has been formed with the Tier I and II cities as the priority and some Tier III and IV cities with good development potential as the supplementary. Among them:

Land Reserve by Region

No.	Region (s) with the land to be developed	Area of the land to be developed (sq.m.)	A-land consolidation area (sq.m.)	Planned floor area upon calculation of plot ratio (sq.m.)	Whether to be related with the joint development project	Area related with the joint development project (sq.m.)	Equity ratio of the joint development project (%)
1	Southwest China	3,399,658	-	7,074,814	Yes	3,225,867	-
2	Bohai Coastal Region	1,520,225	-	3,561,375	Yes	921,478	-
3	Pearl River Delta	1,293,535	-	3,931,125	Yes	1,803,421	-
4	Yangtze River Delta	912,545	-	1,975,668	Yes	1,119,249	-
5	Others	431,875	-	726,975	Yes	655,725	-
Total	/	7,557,838	/	17,269,957	Yes	7,725,740	/

Notes:

- The “Area related with the joint development project” mentioned in the above table refers to the planned floor area upon calculation of plot ratio for the project.
- No A-land consolidation is covered in the Group's real estate development projects.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

3. Development and investment in real estate during the Reporting Period

Applicable Not applicable

The Group completed the real estate development investment of RMB82.408 billion during the Reporting Period, among which, the investment of RMB38.122 billion was completed in Yangtze River Delta, and the investment of RMB20.858 billion was completed in Southwest China, accounting for 46.25% and 25.31% of the investment, respectively.

Development and Investment in Real Estate by Region

No.	Region	Land area (<i>'0,000 sq.m.</i>)	Planned floor	Gross floor	Floor area	Completed	Gross	Actual
			area upon calculation of plot ratio (<i>'0,000 sq.m.</i>)		area construction (<i>'0,000 sq.m.</i>)			area investment (<i>RMB '0,000</i>)
1	Yangtze River Delta	1,000.35	2,251.44	3,072.78	1,256.50	1,550.97	35,909,820	3,812,214
2	Southwest China	1,326.37	3,337.02	4,473.78	869.02	2,606.01	37,464,062	2,085,758
3	Bohai Coastal Region	652.18	1,841.69	2,380.31	524.03	1,305.61	24,587,641	1,311,118
4	Pearl River Delta	1,081.26	2,279.60	3,043.64	583.39	1,963.77	30,233,447	981,485
5	Others	81.55	155.15	193.31	26.49	60.83	1,083,260	50,269
Total		4,141.71	9,864.90	13,163.82	3,259.43	7,487.19	129,278,230	8,240,844

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Among the 505 projects held by the Group, details of the development and investment of the top ten projects in estimated amount of total investment are as follows:

Unit: '0,000 Currency: RMB

No.	Region	Item	Address	Type of operation	Under construction/newly developed/completed project	Interests attributable to the Company and subsidiaries	Land area (sq.m.)	Planned floor area upon calculation of plot ratio (sq.m.)	Gross floor area (sq.m.)	Floor area of projects under construction (sq.m.)	Completed area (sq.m.)	Expected completion period	Gross investment	Actual investment during Reporting Period
1	Bohai Coastal Region	Tianjin International City, CRCC	Jinzhonghe Avenue, Hebei District, Tianjin	Residence/commercial	Under construction	100%	252,300	866,100	1,182,600	-	854,400	2027	1,696,180	22,550
2	Southwest China	Chongqing Xipai City, CRCC	Cuntan Street, Jiangbei District, Chongqing	Residence/commercial	Under construction	100%	175,100	689,700	949,900	800	680,600	2027	1,353,301	5,453
3	Southwest China	Guiyang International City, CRCC	Tai Ci Qiao Che Shui Road, Nanming District, Guiyang City	Residence	Under construction	100%	592,100	1,776,300	2,359,800	120,600	2,069,400	2026	1,302,346	48,118
4	Pearl River Delta	Guangzhou Nansha Haiyu Xi'an, CRCC	Tanwei Village, Huangge Town, Nansha District, Guangzhou	Residence	Under construction	100%	166,300	550,300	805,500	18,532	786,968	2024	1,127,654	85,328
5	Southwest China	Guiyang CRCC City, CRCC	Che Shui Road, Nanming District, Guiyang City	Residence/commercial	Under construction	100%	285,900	1,015,200	1,367,400	349,200	-	2027	1,101,632	26,078
6	Southwest China	Chengdu Xipai Jinsha, CRCC	Supo Street, Qingyang District, Chengdu	Residence	Under construction	70%	91,600	370,000	520,100	61,700	458,400	2024	1,085,720	5,000
7	Yangtze River Delta	Wenzhou Future Vision, CRCC	Guanghua Street, Lucheng District, Wenzhou City	Residence	Under construction	100%	135,800	454,700	697,300	697,300	-	2024	1,070,514	272,198
8	Bohai Coastal Region	Tianjin Xipai Guoyin, CRCC	The junction at Wanliucun Street and Jinzhonghe Street, Hebei District, Tianjin	Residence	Under construction	100%	111,300	247,700	385,900	272,400	113,500	2026	1,056,920	36,972
9	Bohai Coastal Region	Beijing International City, CRCC	Qingheyong Village, Lai Guangying Town, Beijing	Residence/commercial	Completed	100%	263,500	612,300	845,100	-	845,100	2019	1,038,709	126
10	Bohai Coastal Region	Plot No. 2, Xiong'an Station Hub Area	Xiong'an Station Hub Area	Residence/commercial	Under construction	100%	173,700	554,900	804,900	254,000	-	2026	1,029,823	24,859

Section IV Management Discussion and Analysis (Report of Directors) (continued)

4. Sales and booked of real estate during the Reporting Period

Applicable Not applicable

During the end of the Reporting Period, the Group realised total sales amount of RMB121.395 billion, sales area of 7,490,200 square meters, realised booked revenue amount of RMB83.272 billion, booked area of 5,726,882 square meters, the area to be booked at the end of Reporting Period was 29,158,734 square meters.

Sales and booked by region in 2023

No.	Region	Saleable area (<i>'0,000 sq.m.</i>)	Sold area within the Reporting Period (<i>'0,000 sq.m.</i>)	Sales volume within the Reporting Period (<i>RMB '0,000</i>)	Average selling price (<i>RMB/sq.m.</i>)	Booked sales GFA (<i>sq.m.</i>)	Booked sales revenue (<i>RMB '0,000</i>)	Booked GFA at the end of the Reporting Period (<i>sq.m.</i>)
1	Yangtze River Delta	3,661.47	200.97	4,526,621	22,524	1,965,763	2,916,177	6,336,341
2	Southwest China	3,906.75	232.28	3,754,160	16,162	1,902,042	2,633,053	9,433,576
3	Bohai Coastal Region	2,798.28	165.37	1,706,908	10,322	973,554	1,424,780	6,728,202
4	Pearl River Delta	2,458.95	110.16	1,558,303	14,146	748,945	1,164,139	6,174,274
5	Others	13.69	40.23	593,495	14,753	136,578	189,027	486,341
Total		12,839.14	749.02	12,139,487	16,207	5,726,882	8,327,176	29,158,734

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Among which, during the Reporting Period, the sales of real estate projects with top ten sales amount by the Group are as follows:

Unit: '0,000 Currency: RMB

No.	Region	Item	Address	Type of operation	Saleable area (sq.m.)	Sold (including pre-sold) area (sq.m.)	Booked sales GFA (sq.m.)	Booked sales revenue	Booked GFA at the end of the Reporting Period (sq.m.)	Expected completion period	Interests attributable to the Company and subsidiaries
1	Yangtze River Delta	Shanghai Huayu Qianwan, CRCC	Huacao Community, Minhang District, Shanghai	Residence	193,800	68,000	-	-	68,000	2025	100%
2	Southwest China	Chengdu Qingyang Yuefu, CRCC	Caiqiao, Qingyang District, Chengdu City	Residence	170,613	153,000	-	-	153,000	2025	73%
3	Southwest China	Xi'an Xipai Tangyue, CRCC	Software City, Gaoxin Silk Road, Xi'an City	Residence	269,200	217,300	117,211	265,392	100,089	2024	55%
4	Yangtze River Delta	Shanghai Zhongshan Xingyue Yunjian, CRCC	Downtown, New City, Zhongshan Street, Songjiang District, Shanghai	Residence	120,800	87,300	-	-	87,300	2024	55%
5	Yangtze River Delta	Shanghai Huayu Tianjing, CRCC	Sijing Town, Songjiang District, Shanghai	Residence	122,360	83,800	78,070	368,268	5,730	2024	60%
6	Southwest China	Chengdu Xipai Jinsha, CRCC	Supo Street, Qingyang District, Chengdu City	Residence	488,064	313,100	294,600	806,805	18,500	2024	70%
7	Bohai Coastal Region	Beijing Chenyue International, CRCC	Pingfang Village, Beiqijia Town, Changping District, Beijing	Residence	145,504	123,536	59,483	270,436	64,053	2024	51%
8	Southwest China	Xi'an Xipai City, CRCC	Jingshang Village, Weiyang District, Xi'an City	Residence	137,981	132,104	61,103	113,588	71,001	2024	100%
9	Southwest China	Chengdu Jinyue, CRCC	Caiqiao, Qingyang District, Chengdu City	Residence	84,469	75,100	-	-	75,100	2024	79%
10	Southwest China	Chengdu Xipai City, CRCC	New City, Wuhou District, Chengdu City	Residence	61,211	60,499	-	-	60,499	2025	100%

Section IV Management Discussion and Analysis (Report of Directors) (continued)

5. Real Estate rental during the Reporting Period

Applicable Not applicable

At this stage, the Group focuses on the development of sales-type residential products, and self-owned rental products are mostly sales-type real estate projects supporting commercial, parking spaces and other products. In 2023, the Group held 663,600 sq. m. of operational property available for renting, achieved a total rental income of RMB190 million, accounting for 0.23% of the Group's real estate business income.

Unit: '0,000 Currency: RMB

No.	Region	Item	Type of operation	Leased area (sq.m.)	Rental income from leased real estate	Equity ratio (%)	Adopt the fair value measurement model or not	Rental income/real estate fair value (%)
1	Beijing, Guangzhou, Tianjin, Guiyang, and other places	Commercial, apartment and office building	/	618,712	18,690	/	No	/
2	Beijing, Guangzhou, Tianjin, Guiyang, and other places	Rental parking	/	44,916	270	/	No	/
Total	/	/	/	663,628	18,960	/	No	/

6. Financing of the Company during the Reporting Period

Applicable Not applicable

7. Other explanation

Applicable Not applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(V) Analysis of investment

Overall analysis of external investment in equities

Applicable Not applicable

As at 31 December 2023, the book balance of the Group's long-term equity investments was RMB149.3276 billion, representing an increase of RMB21.2932 billion or 16.63% from RMB128.0344 billion at the beginning of the year. Among them, the equity investment in joint ventures was RMB64.9611 billion, representing an increase of RMB9.1295 billion or 16.35% from 55.8316 billion at the beginning of the year; the investment in affiliated businesses was RMB84.3664 billion, representing an increase of RMB12.1636 billion or 16.85% from RMB72.2028 billion at the beginning of the year.

1. Major equity investment

Applicable Not Applicable

2. Major non-equity investment

Applicable Not Applicable

3. Financial assets measurement at fair value

Applicable Not Applicable

Unit: '000 Currency: RMB

Category of assets	Opening balance	Profit or loss generated from change of fair value in current period	Cumulative change of fair value accounted into equity	Impairment provisioned in current period	Amount purchased in current period	Amount of sales/ redeemed in current period	Other changes	Closing balance
Stock	2,897,300	-26,035	1,075,071	-	4,974	131,756	-196,323	2,548,160
Bond	4,971,219	-	10,565	-	13,900,000	13,900,000	190,800	5,162,019
Trust product	7,900	-	-	-	-	-	-	7,900
Private equity fund	3,740,133	-10,000	-	-	2,443,916	1,100	18,700	6,191,649
Other	7,063,810	-7,672	1,002	-	17,600,805	16,341,000	-6,088	8,309,855
Total	18,680,362	-43,707	1,086,638	-	33,949,695	30,373,856	7,089	22,219,583

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Investment in securities

Applicable Not Applicable

Unit: '000 Currency: RMB

Type of securities	Stock code	Abbreviated stock name	Amount of initial investment	Source of fund	Opening book balance	Profit or loss generated from change of fair value in current period	Cumulative change of fair value accounted into equity	Amount purchased in current period	Amount of sales in current period	Profit or loss generated from investment in current period	Closing book balance	Financial statement item
Stock	HK03969	CRSC	136,128	Proprietary capital	57,169	900	-	-	-	780	58,904	Held-for-trading financial assets
Stock	HK01258	CNMC	59,138	Proprietary capital	130,253	36,907	-	-	-	7,272	169,048	Other non-current financial assets
Stock	601618	MCC	58,167	Proprietary capital	15,907	-1,526	-	-	-	3,789	14,601	Held-for-trading financial assets
Stock	600028	SINOPEC	533	Proprietary capital	281	275	-	-	-	-	556	Other non-current financial assets
Stock	600515	Hainan Airport	112,029	Proprietary capital	116,648	-30,891	-	4,974	-	-	90,731	Held-for-trading financial assets
Stock	600221	Hainan Holdings	829	Proprietary capital	954	-251	-	-	-	-	703	Held-for-trading financial assets
Stock	600115	China Eastern	270,704	Proprietary capital	300,000	-31,449	-	-	29,296	1,006	239,255	Held-for-trading financial assets
Stock	601328	Bank of Communications	68,481	Proprietary capital	191,143	-	162,987	-	-	15,042	231,468	Other equity instrument investments
Stock	601211	Guotai Junan	8,597	Proprietary capital	100,915	-	101,898	-	-	3,936	110,495	Other equity instrument investments
Stock	688009	CRSC	69,466	Proprietary capital	56,709	-	-17,611	-	-	2,013	51,855	Other equity instrument investments
Stock	600809	Shanxi Fenjiu	708	Proprietary capital	159,594	-	128,501	-	-	1,859	129,209	Other equity instrument investments
Stock	600322	Tianjin Investment Urban Development	160	Proprietary capital	190	-	30	-	-	-	190	Other equity instrument investments
Stock	600061	SDIC Capital	263,849	Proprietary capital	592,405	-	361,003	-	-	8,573	624,852	Other equity instrument investments
Stock	600885	Hongfa Holdings	2,502	Proprietary capital	71,508	-	56,656	-	-	771	59,158	Other equity instrument investments
Stock	000759	Zhongbai Group	1,934	Proprietary capital	5,836	-	2,253	-	-	-	4,187	Other equity instrument investments

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Unit: '000 Currency: RMB

Type of securities	Stock code	Abbreviated stock name	Amount of initial investment	Source of fund	Opening book balance	Profit or loss generated from change of fair value in current period	Cumulative change of fair value accounted into equity	Amount purchased in current period	Amount of sales in current period	Profit or loss generated from investment in current period	Closing book balance	Financial statement item
Stock	002159	Sante Cableway	2,387	Proprietary capital	20,885	-	15,825	-	-	-	18,212	Other equity instrument investments
Stock	834898	Zhubai Holdings	360	Proprietary capital	1,583	-	831	-	-	78	1,191	Other equity instrument investments
Stock	688187	Times Electric	9,800	Proprietary capital	534,786	-	346,234	-	-	5,390	356,034	Other equity instrument investments
Stock	600928	Bank of Xi'An	100	Proprietary capital	691	-	553	-	-	37	653	Other equity instrument investments
Stock	000630	TNMG	51,836	Proprietary capital	234,749	-	194,952	-	-	3,762	246,788	Other equity instrument investments
Stock	HK00687	Taisheng Group	319,393	Proprietary capital	16,574	-	-300,495	-	-	770	19,153	Other equity instrument investments
Stock	001227	Bank of Lanzhou	99,227	Proprietary capital	275,897	-	13,016	-	102,460	8,757	112,243	Other equity instrument investments
Stock	600657	Cinda Real Estate	236	Proprietary capital	12,623	-	8,438	-	-	102	8,674	Other equity instrument investments
Fund	000652	Bosera Yulong Hybrid	17,370	Proprietary capital	64,529	-7,556	-	-	-	-	56,973	Held-for-trading financial assets
Fund	519606	Guotai Jinxin	3,908	Proprietary capital	6,511	-116	-	-	-	-	6,395	Held-for-trading financial assets
Trust product	/	Yuecai Trust • CMB China Railway Urban Construction Single Fund Trust Program	6,900	Proprietary capital	6,900	-	-	-	-	-	6,900	Other non-current financial assets
Trust product	/	CCB Trust - CRCC Lanhai Assembled Fund Trust Program (No. 28)	1,000	Proprietary capital	1,000	-	-	-	-	491	1,000	Held-for-trading financial assets
Other	/	/	1,036,650	Proprietary capital	811,500	-	-	566,150	341,000	70,230	1,036,650	Other non-current financial assets
Other	/	/	4,000,000	Proprietary capital	4,971,219	-	10,565	13,900,000	13,900,000	43,724	5,162,019	Other debt investments
Total	/	/	6,602,392	/	8,758,959	-33,707	1,085,636	14,471,124	14,372,756	178,382	8,818,097	/

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Investment in securities

Applicable Not Applicable

Investment in private equity

Applicable Not Applicable

Unit: '000 Currency: RMB

Name of object held	Initial investment amount	Shareholding ratio (%)	Ending book value	Profit or loss for the period	Changes in owner's equity in the Reporting Period	Financial statement item	Capital source
Jinan Jiayue Transportation Investment Development Partnership (Limited Partnership)	1,603,520	/	1,603,520	19,936	-	Other non-current financial assets	Proprietary capital
CGXCIG Phase XXI Transportation Construction Investment Fund Partnership (Limited Partnership)	1,036,142	6.67	1,036,142	6,033	-	Other non-current financial assets	Proprietary capital
Qingdao Metro Line 4 Investment Fund (Limited Partnership)	906,000	24.97	893,000	27,201	-	Other non-current financial assets	Proprietary capital
Gongying Infrastructure FOF Phase I Private Equity Fund	384,180	/	384,180	-	-	Other non-current financial assets	Proprietary capital
Hubei Province Chudao No. 1 Infrastructure Investment Partnership (Limited Partnership)	336,000	/	336,000	-51	-	Other non-current financial assets	Proprietary capital
Chongqing Linghanggaosu No. 7 Equity Investment Fund Partnership (Limited Partnership)	226,035	/	226,035	4,302	-	Other non-current financial assets	Proprietary capital
Gongying Infrastructure Investment Private Fund No. 8	180,000	/	180,000	-	-	Other non-current financial assets	Proprietary capital
CRCC Zhengqitianfu Private Investment Fund	173,860	/	173,860	1,829	-	Other non-current financial assets	Proprietary capital
Shaanxi Yideruizhi Equity Investment Partnership (Limited Partnership)	154,990	/	154,990	-	-	Other non-current financial assets	Proprietary capital
Shenzhen Shengao Infrastructure Private Equity Fund Partnership (Limited Partnership)	140,000	/	140,000	-	-	Other non-current financial assets	Proprietary capital
Tianjin CRCC No. 1 Construction Investment Partnership (Limited Partnership)	130,464	/	130,464	3,094	-	Other non-current financial assets	Proprietary capital
Guangde CRCC Lanhaifengtie Investment Centre (Limited Partnership)	127,300	/	127,300	-	-	Other non-current financial assets	Proprietary capital
CRCC Zhengqi Private Equity Investment Fund Environmental Governance No. 1	110,390	10.45	110,390	-	-	Other non-current financial assets	Proprietary capital
Guangde CRCC Lanhaihualan Investment Centre (Limited Partnership)	97,235	35.22	97,235	5,027	-	Other non-current financial assets	Proprietary capital
Xinyu CRCC Guangrong Investment Partnership (Limited Partnership)	95,211	18.44	95,211	-	-	Other non-current financial assets	Proprietary capital

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Name of object held	Initial investment amount	Shareholding ratio (%)	Ending book value	Profit or loss for the period	Changes in owner's equity in the Reporting Period	Financial statement item	Capital source
Fujian Province Haisigaosu Phase IV Equity Investment Partnership (Limited Partnership)	92,787	/	92,787	-	-	Other non-current financial assets	Proprietary capital
Xinhengyintong Fund Management (Beijing) Co., Ltd.-Ziyang Airport Economic Zone Industrial New City PPP Private Equity Investment Fund	80,167	15.46	80,167	1,619	-	Other non-current financial assets	Proprietary capital
CRCC Zhongzhengqi Private Equity Investment Fund Highway Construction No. 1	67,180	/	67,180	4,427	-	Other non-current financial assets	Proprietary capital
Tianjin Binhai New Area Urban Construction High-Quality Development Fund Partnership (Limited Partnership)	60,000	/	60,000	-	-	Other non-current financial assets	Proprietary capital
CRCC Zhengqi Private Equity Investment Fund Inland Shipping No. 1	53,300	9.09	53,300	3,549	-	Other non-current financial assets	Proprietary capital
Haitong Securities Co., Ltd.-Lion Capital Haizihu No. 1 Private Investment Fund	45,000	/	45,000	-	-	Other non-current financial assets	Proprietary capital
CRCC Jicaihongao Private Equity Investment Fund	39,410	/	39,410	2,562	-	Other non-current financial assets	Proprietary capital
Tianjin Rail Transit Industry Fund Partnership (Limited Partnership)	20,000	/	20,000	-	-	Other non-current financial assets	Proprietary capital
CRCC Private Equity Investment Fund Utility Tunnel No. 1 Fund	10,341	/	10,341	-	-	Other non-current financial assets	Proprietary capital
CITIC China Capital-CRCC Runxin No. 3 Private Equity Investment Fund	10,000	/	10,000	-	-	Other non-current financial assets	Proprietary capital
CITIC China Capital-Dongfangrunxin Private Equity Investment Fund	10,000	/	10,000	-	-	Other non-current financial assets	Proprietary capital
CRCC Gongying Infrastructure Investment Private Fund No. 2	6,137	/	6,137	-	-	Other non-current financial assets	Proprietary capital
Other	9,000	/	9,000	-685	-	Other non-current financial assets	Proprietary capital
Total	6,204,649	/	6,191,649	78,843	-	/	/

Investment in derivatives

Applicable Not Applicable

4. Specific progress of major asset restructuring and integration during the Reporting Period

Applicable Not Applicable

(VI) Disposal of significant assets and equity interest

Applicable Not Applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(VII) Analysis of major companies controlled and invested by the Company

Applicable Not Applicable

1. Main subsidiary

During the Reporting Period, the Company's major subsidiaries were as follows:

Unit: '000 Currency: RMB

Name of company	Registered capital	Key financial indicators as of 31 December 2023			Principal business	Industry
		Total assets	Net assets	Net profits		
China Civil Engineering Construction Corporation	3,000,000	34,320,623	10,208,774	1,051,725	Construction	Construction
China Railway 11th Bureau Group Co., Ltd.	6,162,382	72,466,579	17,276,776	1,866,049	Construction	Construction
China Railway 12th Bureau Group Co., Ltd.	5,060,677	77,830,365	15,103,560	1,425,185	Construction	Construction
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	3,200,000	56,690,496	9,326,382	443,688	Construction	Construction
China Railway 14th Bureau Group Co., Ltd.	3,391,534	93,547,949	16,053,819	1,518,340	Construction	Construction
China Railway 15th Bureau Group Co., Ltd.	3,000,000	49,304,489	4,983,078	422,820	Construction	Construction
China Railway 16th Bureau Group Co., Ltd.	4,400,000	78,988,723	7,911,135	242,990	Construction	Construction
China Railway 17th Bureau Group Co., Ltd.	3,021,226	65,510,049	7,933,982	351,165	Construction	Construction
China Railway 18th Bureau Group Co., Ltd.	3,523,404	60,582,518	12,642,546	1,479,145	Construction	Construction
China Railway 19th Bureau Group Co., Ltd.	5,080,000	55,231,806	8,302,711	419,960	Construction	Construction
China Railway 20th Bureau Group Co., Ltd.	3,385,831	58,464,609	11,297,898	891,612	Construction	Construction
China Railway 21st Bureau Group Co., Ltd.	2,038,000	43,964,899	5,756,146	389,400	Construction	Construction
China Railway 22nd Bureau Group Co., Ltd.	2,000,000	42,088,403	6,420,279	379,371	Construction	Construction
China Railway 23rd Bureau Group Co., Ltd.	2,000,000	40,127,526	6,040,618	507,489	Construction	Construction
China Railway 24th Bureau Group Co., Ltd.	2,000,000	39,393,289	5,271,467	567,905	Construction	Construction
China Railway 25th Bureau Group Co., Ltd.	2,000,000	33,649,256	3,552,285	277,972	Construction	Construction
China Railway Construction Group Co., Ltd.	3,502,971	113,782,033	14,406,506	508,382	Construction	Construction
China Railway Urban Construction Group Co., Ltd.	2,789,839	44,175,591	8,044,810	897,592	Construction	Construction
China Railway Construction Electrification Bureau Group Co., Ltd.	3,800,000	33,135,921	14,018,228	1,853,728	Construction	Construction
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	2,500,000	18,097,142	2,744,130	146,550	Construction	Construction
China Railway Construction Corporation (International) Limited	3,012,500	15,484,622	4,050,210	165,156	Construction	Construction
China Railway Construction Real Estate Group Co., Ltd.	7,000,000	233,742,231	48,485,710	1,345,268	Real estate development and operation	Real estate
China Railway First Survey and Design Institute Group Co., Ltd.	1,030,000	19,412,360	6,896,194	1,001,738	Planning, design and consultancy	Consulting
China Railway SIYUAN Survey and Design Group Co., Ltd.	1,052,500	33,938,024	15,645,533	1,858,825	Planning, design and consultancy	Consulting
China Railway Fifth Survey and Design Institute Group Co., Ltd.	175,000	6,643,269	2,676,029	437,800	Planning, design and consultancy	Consulting
China Railway Shanghai Design Institute Group Co., Ltd.	130,000	3,901,620	2,078,718	419,816	Planning, design and consultancy	Consulting
China Railway Material Group Co., Ltd.	3,000,000	33,163,389	5,001,247	642,223	Material purchase and sales	Logistics trade

Section IV Management Discussion and Analysis (Report of Directors) (continued)

Name of company	Registered capital	Key financial indicators as of 31 December 2023			Principal business	Industry
		Total assets	Net assets	Net profits		
China Railway Construction Heavy Industry Corporation Limited	5,333,497	25,440,993	16,554,800	1,593,863	Industrial manufacturing	Industry
CRCC High-Tech Equipment Corporation Limited	1,519,884	9,058,899	5,876,345	145,142	Industrial manufacturing	Industry
China Railway Construction Investment Group Co., Ltd.	12,067,086	173,062,333	39,894,348	3,064,906	Project investment	Investment
CRCC Kunlun Investment Group Co., Ltd.	5,087,166	86,394,005	25,197,607	3,579,939	Project investment	Investment
CRCC Capital Holdings Group Co., Ltd.	9,000,000	44,489,975	11,890,662	906,354	Financial service	Financing
CRCC Finance Company Limited	9,000,000	115,957,999	13,822,125	906,487	Financial service	Financing

During the Reporting Period, CRCC Kunlun Investment Group Co., Ltd., a subsidiary of the Company, accounted for relatively larger proportion in the consolidated operating results of the Group. The revenue of CRCC Kunlun Investment Group Co., Ltd. in 2023 was RMB58.4659 billion, the profit amounted to RMB4.5032 billion, and the net profit amounted to RMB3.5799 billion, accounting for 11.07% of net profit of RMB32.3287 billion of the Group.

2. Major companies in which the Company invested

For details about companies in which the Group invested, please refer to Note V to the Financial Report attached to this report, "14. Long-term Equity Investments" and Note VII to the Financial Report, "2. Equity in Joint Ventures and Associates". The changes in the assets, operation results and other financial indicators of such companies in which the Company invested have no significant effects on the assets, operation results and other financial indicators of the Company in the current and future years.

(VIII) Status of the structured entity controlled by the Company

Applicable Not Applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

VI. DISCUSSION AND ANALYSIS OF THE COMPANY'S FUTURE DEVELOPMENT

(I) Industry pattern and trends

Applicable Not Applicable

In terms of the international environment, the world has changed fast in the past century. Due to intertwined changes, chaos and difficulties, there are still a large number of unstable and unpredictable factors, such as frequent local geopolitical conflicts and turbulences, economic deglobalisation and obvious regionalisation of industrial and supply chains, making global economy sluggish. However, peace, development and win-win cooperation remain the irresistible trends of the times. China is committed to unwaveringly expanding opening-up at a high level, and adding more substance to the Belt and Road Initiative, with bright prospects in overseas markets.

In terms of the domestic environment, despite the insufficient effective demands, overcapacity in some industries, weak social expectations, more risks and hidden troubles, blocks in domestic circulation, as well as a more complicated, severe and uncertain external environment, the favourable conditions facing China's development still prevail over the unfavourable factors, with economic upturn and long-term uptrend remaining unchanged. In 2024, the government will continue to pursue a proactive fiscal policy and a prudent monetary policy, with continuous efforts in promoting the new type of urbanisation, comprehensive rural revitalisation, urban and rural integration, regional coordinated development, new energy and new infrastructure, and there is still potential in the domestic market. Infrastructure development remains a crucial means to stabilise investments, improve people's lives and strengthen weak links. This year, it's expected to allocate RMB3,900 billion of local-government special bonds and RMB700 billion of investment from the central government budget. From this year, ultra-long-term special treasury bonds are expected to be issued for several consecutive years for use of the implementation of major national strategies and the security capacity building in key areas. This year, RMB1,000 billion will be issued to help maintain the scale of the domestic construction market at a high level.

From the perspective of industrial environment, the construction industry is facing common difficulties from more specialised construction market segments, stricter standards and requirements, and fiercer competition among construction enterprises in China. Besides, conventional industries are undergoing transformation and upgrading, and need to solve technology iteration, fusion and application and other practical challenges through development. The SASAC proposed to develop both strategic emerging industries and conventional industries, and accelerate the construction of a modern industrial system, charting the course for breakthroughs, transformation and upgrading of central government-owned construction enterprises.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(II) Development strategies of the Company

Applicable Not Applicable

During the “14th Five-Year Plan” period, the guiding ideology of the Company’s development is: to hold high the great banner of socialism with Chinese characteristics, take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the guidance, thoroughly implement the spirits of 20th National Congress of the Party, fully implement the decisions and deployments of the Party Central Committee, the State Council and the work requirements of the SASAC, scientifically grasp the new development stage, resolutely implement the new development concept, actively integrate into the new development pattern, adhere to the overall work of seeking progress while maintaining stability, and insist on focusing on main responsibilities and main business; promoting high-quality development as the theme, deepening supply-side structural reforms as the main line, and taking reform and innovation as the fundamental driving force, to strengthen innovation drive, optimise the layout structure, improve the governance system, prevent major risks, improve the quality of Party building, accelerate the cultivation of a world-class comprehensive construction industry group, and make new and great contributions to the comprehensive construction of a modern socialist country.

During the “14th Five-Year Plan” period, the basic principles of the Company’s development are: to adhere to the overall leadership of the Party, implement the new development concept, establish the systematic concept, focus on high-quality development, and achieve shared development.

During the “14th Five-Year Plan” period, the Company’s overall development strategy is: construction-oriented, related-diversified, value-leading, quality-excellency, so as to develop into the most trustworthy world-class comprehensive construction industry group.

- “Construction-oriented” is the foothold of development. We insist on taking the construction industry as the base for survival and foundation for success. We actively integrate into the new development pattern, seize the important strategic opportunities for the rapid development of the domestic and overseas construction industry, fully integrate into the joint construction of the “Belt and Road Initiative”, Beijing-Tianjin-Hebei synergic development, the development of the Yangtze River Economic Belt, the integrated development of the Yangtze River Delta, construction of the Greater Bay Area of Guangdong, Hong Kong and Macao, the ecological protection and high-quality development of the Yellow River Basin as well as the promotion of Hainan’s comprehensive deepening of reform and opening up and other major national strategies, make overall deployment of the domestic and overseas construction markets, and continuously improve the core competitiveness.
- “Related-diversified” is the focus of development. We persist in diversified development and creation of new industrial pattern. We scientifically grasp the new development stage, combine the goal requirements of building a socialist modern country in an all-round way and the people’s ever-increasing needs for a better life, and use our core advantages to take the initiative and seek breakthroughs on a larger scale, deeper level and in more fields. We actively expand the industrial fields related to the construction industry chain, coordinate with the development of the main business, and match with the resource endowment of the enterprise, accelerate the cultivation of emerging industries conforming to the national strategic direction, meet the future needs of the market with broad development prospects, and form a diversified industrial structure with clear positioning, reasonable layout, scientific functions and efficient coordination.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

- “Value-leading” is the key point of development. We adhere to the value orientation of “quality first, prioritising efficiency”. We resolutely implement the development concept of “innovation, coordination, safety, sharing, and sustainability”, rid ourselves of the extensive development concept emphasising scale and neglecting efficiency, take “whether it is beneficial to improve quality and whether it is beneficial to create benefits” as the main evaluation standard, follow the principles of value management, value creation, value exploring, value evaluation and value distribution, promote the transformation of development methods, optimisation of industrial structure, transformation of growth momentum, and strive to start a new journey of high-quality development.
- “Quality-excellency” is the aim of development. We persist in building a “quality CRCC” in an all-round way based on essential attributes. We inherit and carry forward the “red gene” of the railway corps, create the “most politically-aware, most responsible and most dedicated with strongest sense of mission” central enterprise with excellent quality; serve the domestic and overseas markets and customers, and create an innovative, technological, management-based international construction group with excellent quality; give back to shareholders and the society, and build a public company with excellent quality with “excellent assets, outstanding performance, high-quality resources and advanced management”.

During the “14th Five-Year Plan” period, the Group will focus on the overall development strategy, adhere to innovation-driven development, comprehensively promote intensive development, fully implement lean management, vigorously develop specialised operation, actively target digital transformation, firmly cultivate international operation, and further promote integration and synergy, and strive to start a new journey of high-quality development and give better play to the strategic supporting role of the state-owned economy.

(III) Operation plan

Applicable Not Applicable

1. Explanation of operation plan during the Reporting Period

In 2023, the Group has comprehensively implemented the arrangements of the SASAC under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. In adherence to the general principle of pursuing progress while ensuring stability, it has focused on advance high-quality development based on national strategies and actual situation of domestic circulation, promoted the “Belt and Road” Initiative actively, strengthened market surveys, given priority to business quality, developed high-end business, improved business elements, and prevented business risks, achieving all business objectives successfully.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

2. Operation plan for 2024

The Group's operation plan for 2024 is that the value of newly-signed contracts is to reach RMB3,001.1 billion, operating revenue is to reach RMB1,104.0 billion, and costs and taxes are to reach RMB1,052.1 billion. To this end, the Group will thoroughly implement the guiding principles of the 20th National Congress of the CPC under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implement the decisions and arrangements of the SASAC in an all-round way. To enhance its core functions and core competitiveness, it will give better play to the role of technological innovation, industrial control and safety support, accelerate business layout optimisation and structural adjustment, focus on improving business quality and control business risks at the source, and increase the proportion of contracts for emerging businesses and strategic emerging industries, advancing the high-quality business development in all fronts.

The business plan, however, does not constitute the profit guarantee to investors of the Company, thus the investors shall keep sufficient risks awareness and understand the differences between the business plan and the performance commitment.

3. Capital need of the Company to maintain current business and complete investment

In order to achieve the business goals for 2024 and satisfy the development needs of the Company's various businesses, the Company will ensure the satisfaction of capital requirements for its operations through internal resources, issuance of new shares, bank loans and bank acceptance bills, issues of bonds and other ways.

(IV) Potential risks

Applicable Not Applicable

By further advancing the "big risk-control" system, the Group has continuously strengthened the application of CRCC Cloud Risk Control Monitoring Centre, and actively troubleshoot and controlled major and large risks. On this basis, it has organised the annual major risk assessment for its internal and external situations and actual operation and management in an all-round way, determining that the Group may face major risks in international operation and management, project operation and management, safety and quality, investment, and capital for payables and inventories.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

1. International operation and management risks

Due to intensified geopolitical risks at present, the international security situation is undergoing profound and complex changes, with profound adjustment in global industrial and supply chains, increased fluctuations in the financial market and greater downward pressure on the world economy. Such an increasingly complicated international business environment makes international regulatory systems stricter and brings significantly more international business risks. The Group has paid high attention to the international business risk management, and conducted the whole-process risk management for its overseas projects to enhance information communication and work coordination with domestic projects, boosting the risk monitoring system. Meanwhile, it has paid close attention to the changes in political, social and economic policies of international organisations and their host countries, improved its risk warning and control mechanisms, and strictly prevented all kinds of international business risks, especially risks caused by wars and terrorist attacks, compliance risk, as well as economic and contract fulfilment risks brought by project delays and shutdowns, while preventing the cross-transmission of these risks.

2. Project operation and management risks

The whole-process management of engineering projects involve many factors, such as technology, economy, management and environment. In the stages of project contracting, construction and assessment, various uncertain events or conditions may have adverse impacts on objectives, progress, cost and quality of a project, and even cause the suspension of the project. The Group has strived to improve its strategic layout in operation and management, continuously enhanced the operation work mechanism, standardised the work requirements for market development, and strictly implemented the entity responsibilities for legal operation according to laws. With value creation as the centre, it has attached importance to project screening at the source, ensuring the quality of projects contracted. Besides, it has strengthened the implementation of the responsibility cost by conducting the whole-process project management and control, and the standardised management and improving the standardisation manual. The Group has firmly kept the “six bottom lines” for project management, namely pre-project planning risk, land requisition and demolishing risk, subcontracting management risk, on-site management risk, progress management risk, project settlement risk, and completion and acceptance inspection risk. It has attached importance to assessing the project implementation effect, established project manager performance archives to strengthen performance management, and explored the surplus profit sharing mechanism. Meanwhile, the Group has intensified information management in the whole process, and established a digital project management centre, realising interconnection and experience sharing of different projects, and forming a characteristic lean project management model.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

3. Safety and quality risks

Integrating development and safety and resolutely resolving traditional risks such as safety and quality in the bud and before they become disasters have always been the key management challenges of the Group. Some projects are located in a complex geological environment, facing various extreme geological and meteorological disasters; while others involve more special engineering structures, with high technical requirements and difficulties in quality control. In order to prevent and control safety risks effectively, the Group has adhered to the principle of “safety first, prevention first, comprehensive management” in accordance with the requirement of “people first, life first”, continuously improved the work safety system and the work safety responsibility system, and established the risk and hidden danger prevention mechanism effectively, in a bid to strengthen the basics of work safety, carry out systems and measures strictly and ensure work safety. For the purpose of preventing and controlling quality risks effectively, the Group has always maintained a high-handed posture to keep the “six bottom lines” firmly for project management, vigorously carried out high-quality activities, strengthened the whole-process quality control to ensure the “one-time success rate” of high-quality projects, made more efforts in the poor-quality project traceability, and established and improved the long-term poor-quality project accountability system, implementing the lifelong quality responsibility system in practice.

4. Investment risks

Under the influence of internal and external factors, such as international macro environment, intensified national and local policy regulations, standardised management, stricter financial regulation, increasing debt pressure and intensifying market competition, the Group has faced certain risks in implementation and operation of investment projects, which affects its expected benefits and achievement of its strategic goals. In order to prevent and control investment risks effectively, the Group has adhered to the concept of asset-light development and continuously optimised the medium- and long-term investment business structure to reduce resource occupation and improve the asset turnover efficiency. It has continued to strengthen the whole-process control during the construction period, the operation period and payback period as well as the post-investment project assessment, improving management mechanisms, and strengthening rewards and punishments after the examination. The Group has strictly implemented the negative list of investment projects, and strictly prohibited investments beyond its financial affordability. In addition, it has fully undertaken the responsibilities for on-site survey, pre-bid calculation, analysis and demonstration, and consultation and evaluation, with the aim to prevent contract fulfilment and payment risks from the government and owners, and increase the accountabilities for illegal investment decision-making and a lack of regulation.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

5. Fund risks for receivables and inventories

Debt defaults and inventories overstock bring great cash flow pressure on construction enterprises, which may affect normal production and operation, and cause other associated risks in compliance and contract fulfilment. In order to effectively prevent and control the fund risks for receivables and inventories, the Group has seriously implemented the assessment requirements of the SASAC for “profit before tax, asset-liability ratio, return on net assets, operating cash ratio, overall labour productivity and intensity of R&D expenditure”, and strengthened assessment by timely adjusting and optimising the assessment index system and increasing the assessment weight. By means of source control, it took “customer credit, payment conditions and expected earnings” as important conditions for bidding decision to conduct the full-cycle management over projects. With more efforts in cash flow control, the Group has improved the full-cycle cash flow management mechanism for projects, and given emphasis to the process monitoring, increasing the operating cash ratio continuously. Besides, it has strengthened business and financial integration, optimised the financial structure, and actively revitalised real estate inventories and fixed assets, particularly long-term operation and repurchase projects.

The Group has always been committed to improving the “big risk-control” system, which focuses on legal compliance and control and covers all employees, all aspects and the whole process. It will make full use of information technology and digital means to boost resources integration, information sharing, and joint prevention and control, make risk warning and handling more accurate and effective, and normalise the major risk management and control scheme, in order to make sure that the line is never crossed in this regard, meet the whole-process control requirements, and improve the efficiency of risk control.

(V) Others

Applicable Not Applicable

VII. DESCRIPTION ABOUT THE SITUATION AND THE CAUSE FOR THE COMPANY'S NON-DISCLOSURE PURSUANT TO RELEVANT RULES DUE TO INAPPLICABILITY OR SPECIAL REASONS SUCH AS STATE SECRETS OR TRADE SECRETS

Applicable Not Applicable

Section IV Management Discussion and Analysis (Report of Directors) (continued)

VIII. OTHER DISCLOSURE (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG STOCK EXCHANGE LISTING RULES)

(I) Business review

A review of the business of the Group, the risks which may be encountered, discussions on the future business development and the relationship with employees, customers and suppliers during the year are set out in this section, and financial key indicators are utilised for carrying out analysis on the financial and operating conditions of the Group. For details of significant events which had impacts on the Group and matters in relation to the social responsibilities and environmental protection of the Group during the year, please refer to “Section VI Environment and Social Responsibilities” and “Section VII Significant Events” of this report. For the compliance of relevant laws and regulations which had material impacts on the Group, please refer to “Section V Corporate Governance (Corporate Governance Report)” of this report.

(II) Taxation on dividend

The Board proposed to distribute a final cash dividend for the year 2023 of RMB0.350 per share (including tax) with a total amount of RMB4,752.840 million based on the total share capital of 13,579,541,500 shares of the Company as at 31 December 2023. The above profit distribution plan is subject to consideration and approval at the 2023 Annual General Meeting of the Company. After being considered and approved, the cash dividend will be paid on or before 31 August 2024 as expected by the Company. The Company will make separate announcements after convening of the general meeting in relation to further details of the closure of register of H shareholders for distribution of cash dividend and the expected payment date.

Details of profit distribution of the Company in 2023 are set out in “Section V Corporate Governance (Corporate Governance Report)” of this report.

In accordance with the relevant regulations on Circular of the State Administration of Taxation on Issues Relating to the Withholding and Payment of Enterprise Income Tax on Behalf of Shareholders of Overseas H-shares Distributed by PRC Resident Enterprises to Non-resident Enterprises (Guo Shui Han [2008] No. 897) 《(國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), when a PRC enterprise distributes annual dividends for the year 2008 and onward to their H shareholders who are overseas non-resident enterprises (any H shares registered under the name of HKSCC Nominees Limited, other institutional nominees, trustees, or other organizations or groups, shall be deemed as shares being held by a non-resident enterprise shareholder), enterprise income tax shall be withheld at a uniform rate of 10% by the relevant PRC enterprise. Pursuant to the changes in the relevant laws and regulations on taxation in the PRC, during the distribution of the dividend of the Company for 2010 and the following years, individual shareholders holding the Company's H shares and listed on the Company's H share register are no longer exempt from personal income tax and are subject to a unified withholding tax rate of 10% for enterprise income tax. Non-resident enterprise shareholders, after receiving dividends, can apply to the competent tax authority for tax treaty (arrangement) treatment through self-declaration or through authorized agents or withholding agents. They must provide evidence that they are the actual beneficiaries in accordance with the tax treaty (arrangement) provisions. After the competent tax authority has verified the information, the difference between the tax already paid and the tax payable calculated based on the tax treaty (arrangement) tax rate should be refunded.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

According to the provisions of the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) 《(關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors or domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong-Kong Stock Connect, H share companies shall submit an application to the China Securities Depository and Clearing Corporation Limited (hereinafter "CSDCC") for the CSDCC to provide the register of members of domestic individual investors to the H-share companies, and the H-share companies shall withhold individual income tax at the tax rate of 20%. Such H-share companies will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax by themselves. According to the provisions of the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) 《(關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors or domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong-Kong Stock Connect, H share companies shall submit an application to the CSDCC for the CSDCC to provide the register of members of domestic individual investors to the H-share companies, and the H-share companies shall withhold individual income tax at the tax rate of 20%. Such H-share companies will not withhold and pay the income tax of dividends for domestic enterprise investors, and those domestic enterprise investors shall report and pay the relevant tax by themselves. For dividends received by investors (including enterprise and individual investors) in the Hong Kong market from investing in A shares listed on the Shanghai Stock Exchange, and prior to Hong Kong Securities Clearing Company Ltd. (hereinafter "HKSCC") is able to furnish the identity, holding period and other detailed data of investors in the Hong Kong market to CSDCC, the differentiated tax treatment based on the holding period of shares will temporarily not be implemented. Listed companies shall withhold income tax at a tax rate of 10% and make withholding filings with their competent tax authorities. For those investors who are tax residents of other countries and the tax rate applicable to dividends lower than 10% under the tax treaty between China and their residence countries, investors may by themselves or ask the withholding agent to act on their behalves to apply to the competent tax authorities of the listed company for the application of preferential treatment under the treaties. With the approval of the competent tax authorities, the difference between the tax withheld and the tax calculated at the rate as prescribed under the corresponding tax treaty shall be refunded.

Under the current practice of the Hong Kong Inland Revenue Department, no tax is payable in Hong Kong in respect of the dividends paid by the Company.

According to the Notice on Relevant Matters of Differentiated Individual Income Tax Policy for Listed Companies' Dividends (Cai Shui [2015] No. 101) 《(關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]10號)), if any individual acquires listed shares from listed companies in public issuance, transfers market and holds such shares within 1 month (inclusive), the full amount of his/her dividend income shall be included in taxable income; if the individual holds such shares for a period from more than 1 month to 1 year (inclusive), 50% of his/her dividend income shall be included in taxable income; an individual income tax rate of 20% shall be uniformly applicable to the said income; for shares of listed companies obtained by individuals from public offerings and the market, if any individual holds such shares for more than 1 year, no individual income tax will be imposed on the dividend income for the time being.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(III) Share capital

Details of the share capital of the Company are set out in “42. Share capital” in Note V to the Financial Report of this report. During the Reporting Period, none of the Company or its subsidiaries had issued any other convertible or redeemable securities, options, warrants or any other similar rights.

(IV) Capital reserves, surplus reserves and special reserves

Changes to capital reserves, special reserves and surplus reserves of the Group and the Company in the year are set out in the Consolidated Statement of Changes in Equity in the audited financial report and “44. Capital reserve”, “46. Special reserve” and “47. Surplus reserve” in Note V to the Financial Report of this report.

(V) Fixed assets

Details of the changes in the property, plant and equipment are set out in the “20. Fixed assets” in Note V to the Financial Report of this report.

(VI) Distributable reserves

The distributable reserve of the Company as at 31 December 2023 was approximately RMB44.7653 billion.

(VII) Designated deposits and overdue term deposits

As at 31 December 2023, the Group had no designated deposits placed with any financial institutions in China, nor any term deposits which could not be recovered upon maturity.

(VIII) Foreign exchange risk and exchange loss

The main production and operating activities of the Group were carried out in China, settled by RMB. There was foreign exchange risk in the foreign currency assets and liabilities recognised by the Group and future transactions denominated in foreign currencies. See “68. Foreign currency monetary items” in Note V to the Financial Report attached to the report for the monetary resources, trade receivables, other receivables, short-term borrowings, trade payables, other payables, long-term borrowings and bonds payable (mainly in USD and Euro) held by the Group as at 31 December 2023.

The management of the Company paid close attention to the effect of exchange rate movement on the foreign exchange risk of the Group. The Group has not entered into any significant forward foreign exchange contract. The Financial Department of the Company is responsible for monitoring foreign exchange risk, and would hedge the significant foreign exchange risk when necessary. See “3. Financial instrument risks” in Note VIII to the Financial Report attached to the report for the exchange rate risk for details.

Section IV Management Discussion and Analysis (Report of Directors) (continued)

(IX) Pre-emptive rights

There are no provisions for pre-emptive rights under the Articles of Association and the PRC laws, according to which the Company would be obliged to offer new shares on a pro rata basis to its existing shareholders.

(X) Permitted indemnity provisions

There was no permitted indemnity provision related to the directors of the Company in the year.

(XI) Management contracts

There was no management or administration contract in respect of all of, or substantial part of, the Company's business for the year.

(XII) Donation

During the Reporting Period, the aggregation of the charitable donations and other donations of the Group amounted to RMB49.001 million.

(XIII) Relationship with employees, customers and suppliers

The Group deeply understands that employees, customers and suppliers are essential for our continuous and stable development. We endeavour to closely communicate with our staff and coordinate with suppliers to provide customers with high-quality products and services to achieve sustainable development of the Company.

For details of the employees of the Group, please refer to "XIV. EMPLOYEES OF THE PARENT AND THE MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD" in "Section V Corporate Governance (Corporate Governance Report)" of this report.

For details of the major customers and major suppliers, please refer to "(7) Major sales customers and suppliers" in "V. (I) 2. Analysis of the revenue and costs" of this section.

(XIV) Directors' interests in the businesses that compete with the Company

None of the directors of the Company is interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(XV) Details of future plans for significant investments or purchasing capital assets of the Group and their expected source of funding in the coming year

Currently, the Group has no future plan for significant investments or purchasing capital assets.

Section V Corporate Governance (Corporate Governance Report)

I. BASIC INFORMATION OF CORPORATE GOVERNANCE OF THE COMPANY

Applicable Not Applicable

During the Reporting Period, in strict compliance with laws and regulations such as the Company Law, the Securities Law and the Guidelines for Corporate Governance of Listed Companies issued by CSRC, the relevant provisions of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and the requirements of the SASAC, the Company insisted in standardized operation of corporate governance to maintain sustainable and healthy development, and safeguarded the interests of all shareholders of the Company. There was no substantial difference between the actual situation of corporate governance structure of the Company and the relevant provisions and requirements of CSRC. The Company also complied with the code provisions of the Corporate Governance Code issued by the Hong Kong Stock Exchange. During the Reporting Period, the Company carried out the following work in terms of corporate governance:

1. Continuously improve modern corporate governance with Chinese characteristics

The first is to implement the “two consistent” rules, follow the “three major and one big” list of decision-making issues in a strict manner to implement the pre-decision procedure of the Party Committee, and adhere to the leadership system of “two-direction entry and crossed duty serving” to promote the transformation of system advantages into governance efficiency. The second is to continuously improve the corporate governance system. The Company formulated and revised six systems including Independent Director Work System and Rules of Procedure for Special Meetings of Independent Directors, to provide system guarantees for standardized operations. The third is to further improve the corporate governance mechanism. The Company gave full play to the functional roles of various governance entities, standardized the authorization management of the board of directors, and continuously improved the corporate governance system with legitimated duties and responsibility, transparent duties and responsibilities, coordinated operation and effective balancing. The fourth is to continuously improve the corporate governance structure. The Company convened decision-making meetings such as the Board meetings and shareholders’ meetings in a standardized and efficient way, and completed procedures such as adding executive directors and appointing senior executives. The fifth is to continuously advance and improve the special reform of modern corporate systems. The Company earnestly implemented the action to deepen and enhance the reform of state-owned enterprises, established board for every subsidiary, strengthened the performance management of external directors, and ascertained duties of board of subsidiaries.

Section V Corporate Governance (Corporate Governance Report) (continued)

2. Enhance management of information disclosure

The Company disclosed information in a true, accurate, complete, timely and fair manner in strict compliance with the requirements of the listing rules of the stock exchanges where the Company's shares are listed and kept improving its information disclosure. In 2023, the Company adhered to the principle of combining compulsory information disclosure and voluntary information disclosure and continuously enhanced the pertinence and practicality of information disclosure, preparing and disclosing the annual report, interim report and quarterly reports with high quality. The Company made announcements on production and operation information and major events in a timely manner. In 2023, the Company disclosed a total of 305 documents in Chinese and English, of which 92 documents disclosed on the Shanghai Stock Exchange, and 135 documents in Chinese and 78 documents in English disclosed on the Hong Kong Stock Exchange, enabling the investors to keep abreast of the Company's development strategy, production and operation, reform and development situation, and industry development prospects.

3. Conduct solid and effective investor relationship management

In 2023, the Company earnestly implemented the Company Law, the Securities Law, and relevant regulations of regulatory agencies. Following the regulatory requirements of CSRC, the Shanghai Stock Exchange, and the Hong Kong Stock Exchange, the Company attached great importance to communicating with investors and conducted investor relationship management in a standardized and effective manner. Firstly, the Company held performance explanation meetings in an innovative way. After disclosure of 2022 annual report, the Company held a telephone meeting for performance release with its affiliated China Railway Construction Heavy Industry Corporation listed on the Science and Technology Innovation Board and China Railway Construction High-tech Equipment Corporation listed on the Main Board of Hong Kong Stock Exchange, and held a performance announcement and cash dividend network explanation meeting on the SSE Roadshow Centre platform with China Railway Construction Heavy Industry Corporation in the form of "video + online interaction". In conjunction with regular report disclosures, the Company held a total of 5 on-site and telephone performance release meetings, receiving 317 visits throughout the year. Additionally, 3 performance explanation meetings were held, with 3,324 visits throughout the year. Secondly, the Company engaged in daily communication with investors through various methods. In 2023, the Company organised 59 investor meetings and telephone conferences, receiving 360 visits; actively participated in on-site exchange activities organised by domestic and foreign investment institutions, attended 70 investor meetings, and received 957 investors. Thirdly, the Company actively organised reverse roadshows. In December 2023, the Company organised a reverse roadshow themed "Viewing the Future from Operations" in Chongqing, inviting domestic and foreign investors, analysts, and financial media to conduct on-site investigations at the "Railway Corps Theme Service Area" of the Chongqing-Guiyang Expressway and the expressway operation centre. This aimed to promote the Company's intelligent operation achievements and enhance investors' confidence and value recognition in the Company's development prospects. Through various means, the Company continuously strengthened the communication with investors, and established a multi-level and positive interaction mechanism for the recognition from investors and the capital market.

Section V Corporate Governance (Corporate Governance Report) (continued)

In 2023, the Company won more than 10 awards, including Tianma Award – an award regarding the investor relations for Chinese listed companies, the “Golden Round Table Award” – an award regarding the Board of Directors for the Chinese listed companies, and “Special Contribution Award for Corporate Governance”, top 100 ESG Chinese Listed Companies from the Securities Times, the Phoenix Star Best Hong Kong Stock Exchange Company, “Top 100 Chinese Enterprise Award”, “Top 100 Chinese Special Contribution Enterprise Award”, and “China Moral Enterprise Award” on the Chinese Listed Company Top 100 Forum. The Company was also included in the ESG Innovation Practice Cases in Securities Daily in 2023. These achievements continuously enhanced the Company’s corporate image and social influence.

The corporate governance and laws, administrative regulations have any discrepancies with the relevant requirements of the CSRC on the governance of listed companies or not. If yes, please explain the reasons

Applicable Not Applicable

II. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG STOCK EXCHANGE LISTING RULES)

(1) Compliance with laws and regulations that have material impact on the Company and the Corporate Governance Code

During the Reporting Period, the Company complied with the Company Law, the Securities Law, applicable Hong Kong laws, regulations and all provisions of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules. The Company also conducted corporate governance practices and improved corporate governance structure in accordance with relevant requirements provided by regulatory authorities. In accordance with the requirements of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Stock Exchange Listing Rules, the Company established its corporate governance system. The Articles of Association, the Terms of Reference of the Nomination Committee, the Strategy and Investment Committee, the Remuneration and Evaluation Committee and the Audit and Risk Management Committee, the scope of authority of the Supervisory Committee, and the code of conduct for securities transactions by directors and relevant employees constitute the reference basis of the code of corporate governance of the Company. During the Reporting Period, the Company had complied with the code provisions in the Corporate Governance Code and adopted the recommended best practices where applicable.

Section V Corporate Governance (Corporate Governance Report) (continued)

(2) Risk Management and Internal Control of the Company

CRCC formulated complete risk assessment specification. For strategic objective, operation objective, compliance objective and assets safety objective, the Company identified the respective scope of risk assessment, and carried out initial information collection and identification. For the identified risks (including environmental, social and governance risks), at the beginning of each year, the Company comprehensively used the quantitative and qualitative methods to analyse and assess the possibility of the occurrence and degree of impact of risks, identify the importance level of risks according to risk analysis result so as to identify major risks of the Company, and identify the order of precedence for risk management. Upon completion of the risk analysis and assessment, the Company identified the solutions for major risks, and implemented the detailed plans. The management of the Company carried out dynamic monitoring management on major risks, regularly or irregularly analysed all kinds of internal and external uncertainties, and took corresponding measures to strengthen control. The Board is responsible for the effectiveness of overall internal control and risk management. The Audit and Risk Management Committee exercised, on behalf of the Board, the supervision and inspection function over the establishment of procedures and systems for the internal control and risk management of the Company as well as the formulation and implementation of major risk management strategy and control measures. The Audit and Risk Management Committee continued to monitor the risk management and internal control systems on behalf of the Board, and ensure to conduct a review on the effectiveness of the risk management and internal control systems of the Company and its subsidiaries at least once a year regarding all significant aspects of risk management and internal control, including financial control, operational control and compliance control. The Board, the Audit and Risk Management Committee and the Supervisory Committee, according to the applicable rules at home and abroad, checked if the Company's operation, financial and accounting policies are in compliance with the laws and regulations, meanwhile coordinate with the management, internal and external auditors to jointly review the adequacy and effectiveness of internal control and risk management of the Company by annual internal control audit, self-assessment and other works. They paid close attention to the major defects and corrective actions, so as to ensure that it can make a full play in internal control and risk management of the Company. To practically fulfil the above-mentioned responsibilities, the Board has realised the integration and effective operation of internal control and risk management system of the Company.

Section V Corporate Governance (Corporate Governance Report) (continued)

CRCC continuously strengthened internal control and risk management, and reinforced the construction of the Company's "big risk-control" and "big supervision" system. During the Reporting Period, in order to further improve the risk control system, optimize work mechanisms, comprehensively enhance risk prevention and control capabilities, firmly maintain the bottom line of preventing major risks, and promote the construction of a risk control system focused on the control of legal compliance, the Company strengthened early warning of risks in important business sections, covering macroeconomics, debt, cash flow, investment, public opinion, compliance, and other aspects. This resulted in the formation of a working mechanism of monthly monitoring reports and quarterly analysis summaries. Centering on major risks, the Company conducted risk discussions and tracking scheduling, fully integrated various risk information, and helped the Company and all employees achieve the goal of "anticipating, discovering, and preventing risks in advance". The Company also implemented the work requirements of "preventing risks in the early stage, controlling them in the middle stage, and providing relief in the later stage." The Company continued to improve the "big supervision" system mechanism and advance its implementation at the grassroots level. The Company strengthened the leadership and clarified the focus of its supervision work; carried out the evaluation work and included the evaluation results of the "big supervision" of secondary companies in the annual performance evaluation; continuously implemented the work liaison mechanism and the problem summary mechanism, regularly summarized the issues found during supervision, and promoted the coordinated integration of various supervision systems; organised research and supervision activities to fully leverage the role of grassroots-level in "big supervision" and promote its deep implementation.

During the Reporting Period, the Board has complied with the code provisions of risk management and internal control for listed companies. The Audit and Risk Management Committee of the Board has completed the review of the internal control and risk management systems for the Company and its subsidiaries regarding all significant aspects, including financial control, operational control and compliance control. The Board confirms that such systems are sound and effective.

For details about ESG risk management, please refer to the "IV. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG REPORT)" in "Section VI. Environment and Social Responsibility" of this report.

(3) Procedures and Internal Control Measures for the Handling and Dissemination of Inside Information

The Company formulated the Management Rules for Insiders and the Management System for Information Disclosure, which set out the detailed rules for the handing, dissemination and internal control of inside information. In 2023, the Company strictly implemented the above-mentioned policies, further strengthened the identification and evaluation work for inside information and effectively controlled the scope of insiders. Besides, before the disclosure of inside information in accordance with law, the Company conducted strict registration for and management over the insiders. In case of major events which require deferral or exemption of disclosure, the Company required registration of the relevant insiders for such events, so as to ensure the relevant insiders to fulfil their confidentiality obligation, and effectively prevent the leak of the information which is deferred or exempted from disclosure.

Section V Corporate Governance (Corporate Governance Report) (continued)

III. THE SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND THE DE FACTO CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANISATION AND BUSINESS, AS WELL AS THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS TAKEN TO AFFECT THE INDEPENDENCE OF THE COMPANY

Applicable Not Applicable

The Company is strictly independent from the controlling shareholder in respect of assets, employees, finance, organisation and business and there is no such case under which the Company and its controlling shareholder are not able to ensure their respective independence and maintain their capacity of independent operation.

Special Opinions of Independent Directors on the Performance of the President during the Part-Time Period

On 4 December 2015, the "Resolution in relation to the Appointment of President of China Railway Construction Corporation Limited" was considered and approved at the 20th meeting of the third session of the Board and Mr. ZHUANG Shangbiao was appointed as the president of the Company. In April 2017, the Company received the Letter on the Approval of Exempting ZHUANG Shangbiao, the President of China Railway Construction Corporation Limited, from Restriction on Concurrent Positions (Shang Shi Bu Han [2017] No. 323) (《關於同意豁免中國鐵建股份有限公司總裁莊尚標兼職限制的函》(上市部函(2017)323號)) issued by the supervisory department of listed company of CSRC, pursuant to which Mr. ZHUANG Shangbiao was approved to be exempted from the restriction on holding concurrent positions in senior management. On 22 December 2017 and 21 December 2021, after the election of the fourth and fifth sessions of the Board of Directors, Mr. ZHUANG Shangbiao was reappointed as the Company's president. On 29 August 2023, the Company received a written resignation report from Mr. ZHUANG Shangbiao. Due to his age, Mr. ZHUANG Shangbiao applied to the Company's Board to resign from his positions as an executive director and president of the Company as well as the chairman of the Strategy and Investment Committee.

On 30 August 2023, the Company held the 18th meeting of the fifth session of the Board, and appointed Mr. WANG Lixin as the president of the Company, with his term consistent with that of the current senior management of the Company, starting from the date of approval by the Board. In September 2023, the Company received the Letter on the Approval of Exempting Senior Management Members of China Railway Construction Corporation Limited from Restriction on Concurrent Positions (Shang Shi Bu Han [2023] No. 905) (《關於同意豁免中國鐵道建築集團有限公司高級管理人員兼職限制的函》(上市部函(2023)905號)) issued by the supervisory department of listed company of CSRC, pursuant to which Mr. WANG Lixin was approved to be exempted from the restriction on holding concurrent positions in senior management.

Section V Corporate Governance (Corporate Governance Report) (continued)

The independent directors of the Company were of the view that: during the Reporting Period, Mr. ZHUANG Shangbiao and Mr. WANG Lixin, who successively held the concurrent position as the general managers of the Controlling Shareholder, strictly abided by the commitment of no intra-industry competition undertaken by China Railway Construction Corporation Limited, kept loyal, diligent and devoted, performed the duties of the president of the Company as first priority, focused on the promotion of operation, management, reform and development of the Company, dealt well with the relationship between the Company and the Controlling Shareholder, and effectively safeguarded the interests of the Company and the medium and small shareholders. Therefore, they justified the confidence from the Board and shareholders of the Company. There were no activities that might impair the interests of the Company and the medium and small shareholders due to such concurrent position, which was in compliance with the independence requirements of staff of the listed company.

The controlling shareholder, the de facto controller and other entities under their control engaged in the same or similar business as the Company, as well as the impact of competition or significant changes in competition on the Company, the measures taken to resolve the situation, the progress of the resolution and the follow-up resolution plan

Applicable Not Applicable

IV. BRIEF INTRODUCTION OF GENERAL MEETINGS

The General Meeting is the Company's highest authority, through which the shareholders exercise their rights. The Company ensures that all shareholders enjoy equal status, and that the rights of all shareholders are safeguarded. During the Reporting Period, the Company held one annual General Meeting and one extraordinary General Meeting.

Meeting session	Date of meeting	Inquiry index at designated website for which the resolutions were published	Disclosure date of the resolutions published	Meeting resolutions
2022 Annual General Meeting	28 June 2023	The website of Shanghai Stock Exchange (www.sse.com.cn), and the website of the Hong Kong Stock Exchange (www.hkex.com.hk)	29 June 2023	11 resolutions including the resolution to consider and approve the work report of the board of directors of the Company for the year ended 31 December 2022 were considered and approved.
2023 First Extraordinary General Meeting	22 September 2023	The website of Shanghai Stock Exchange (www.sse.com.cn), and the website of the Hong Kong Stock Exchange (www.hkex.com.hk)	23 September 2023	The resolution in relation to the addition of executive directors of the Company was considered and approved.

Section V Corporate Governance (Corporate Governance Report) (continued)

Request for Convening of Extraordinary General Meeting by Preferred Shareholders with Restored Voting Rights

Applicable Not Applicable

Explanation for General Meeting

Applicable Not Applicable

V. SHAREHOLDER RIGHTS (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG STOCK EXCHANGE LISTING RULES)

(I) Shareholder(s) to call an extraordinary General Meeting

According to the provisions of the Articles of Association, a shareholder alone or shareholders together holding at least 10 percent of the Company's shares shall have the right to make a request to the Board in writing to convene an extraordinary General Meeting. The Board shall, in accordance with laws and the provisions of the Articles of Association, give a written response on whether or not it agrees to convene such a meeting within 10 days after receipt of the request. If the Board agrees to convene an extraordinary General Meeting, it shall issue a notice convening such meeting within 5 days after it has so resolved. The consent of the relevant shareholder(s) shall be obtained if any change is to be made in the notice to the original request. If the Board does not agree to convene such meeting, or fails to give a response within 10 days after receipt of the request, a shareholder alone or shareholders together holding at least 10 percent of the Company's shares shall have the right to propose to the Supervisory Committee in writing to convene the extraordinary General Meeting. If the Supervisory Committee agrees to call the extraordinary General Meeting, it shall issue a notice convening such meeting within 5 days after receipt of the request. The consent of the relevant shareholder(s) shall be obtained if any change is to be made in the notice to the original request. If the Supervisory Committee fails to issue a notice convening the General Meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over such meeting, and a shareholder alone or shareholders together having held at least 10 percent of the shares of the Company for at least 90 days in succession may himself/herself/themselves convene and preside over such meeting.

(II) Procedures for shareholders to make enquiries to the Board and for the Company to provide sufficient contact information to enable enquiries to be dealt with appropriately

According to the provisions of the Articles of Association, if a shareholder asks to review or request for relevant information in accordance with the Articles of Association, he or she shall submit to the Company written documents evidencing the class and number of shares he or she holds. The Company shall provide the requested information to the shareholder after authenticating his or her identity and receiving the related fees. The Company disclosed the details of the Company's address, investor relations hotline number, fax number and email address on the Company website and its periodic reports. Specialists are assigned to answer the calls and handle the mails from investors.

Section V Corporate Governance (Corporate Governance Report) (continued)

(III) Procedures for shareholders to submit resolutions to General Meetings and the Company to provide sufficient contact information

In accordance to the Rules of Procedure of General Meetings, a shareholder alone or shareholders together holding at least 3 percent of the shares of the Company may submit new resolution(s) in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the General Meeting and make a public announcement of the contents of such new resolutions within two days after receipt of the resolutions, and submit such new resolution(s) to the General Meeting for consideration. Such new resolution(s) should carry specific subjects and matters to be resolved that fall within the scope of the terms of reference of the General Meetings. The notice of the General Meeting shall include the following contact information: the date, place and duration of the meeting, the time and place for serving the form of proxy appointed for voting at the meeting, the record date for the shareholders who are entitled to attend the meeting, the name and contact information of the contact person for the meeting.

For the detailed contact information of the Company, please refer to “II. CONTACT PERSONS AND CONTACT METHODS” in “Section II. Basic Corporate Information and Key Financial Indicators” in this report.

(IV) Shareholders’ communication policy

The Company continued to innovate methods and approaches, accurately identified the needs of different investors, adhered to the combination of “going out” and “inviting in”, maintained effective communication with shareholders and investors through online and offline channels, and promptly responded to the questions raised by shareholders and investors through various channels such as shareholder meetings, investor survey meetings, institutional strategy meetings, performance release meetings, telephone conferences, online performance briefings, reverse roadshows, investor relations hotlines, dedicated email accounts, and the “SSE e-interaction” platform. The Company’s Board has reviewed the implementation of its shareholders’ communication policy for 2023. Considering that the Company’s communication methods via multiple online and off-line channels had relatively wide coverage and the Company was able to timely listen to the opinions from shareholders and investors and make timely replies, the Company believes that the shareholders’ communication policy for 2023 has been effectively implemented.

Section V Corporate Governance (Corporate Governance Report) (continued)

VI. THE BOARD OF DIRECTORS (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG STOCK EXCHANGE LISTING RULES)

(I) Overview of the Board

The Board is a permanent body of the Company for making business decisions, and shall be accountable to the General Meeting, responsible for determining strategies, making decisions, and preventing risks. The Board consists of seven to nine directors, with one chairman, and at least one third of them are independent non-executive directors. The Board shall be generated and replaced through election at the General Meeting, with each term of three years, and directors may be re-elected after expiration of term.

1. Powers and duties of the Board

The Board shall exercise the following functions and duties: to convene the General Meetings and report on its work thereat, and to carry out the resolutions passed at the General Meetings; to decide on the Company's strategic planning as well as the Company's operation plans and investment schemes; to formulate the Company's annual financial budgets, final accounts, and to formulate the changing plan for the Company's major accounting policy and accounting estimation; to formulate the profit distribution plans and plans for making up losses of the Company; to formulate the plans for increasing or reducing the Company's registered capital and issuance of bonds and other securities as well as its listing plan; to draft plans for major acquisitions of the Company and buyback of the Company's own shares or plans for the merger, division, dissolution, bankruptcy or changes in the corporate forms of the Company; to formulate important reform schemes of the Company according to the "Articles of Association" and the "Rules of Procedure for the Board of Directors", etc.; to decide, within the scope of authorization by the General Meeting and according to regulations such as the Articles of Association and the Rules of Procedure for the Board of Directors, the Company's major issues such as investment & financing, acquisition or sales of assets, asset mortgage, asset restructuring, guarantee, entrusted finance, connected transaction, donations, etc.; to formulate amendments to these Articles of Association; to appoint or dismiss the Company's president and Secretary to the Board; to appoint or dismiss the Company's senior management members such as the vice president(s), chief accountant, chief engineer, chief economist, chief legal advisor, chief compliance officer and chief safety officer of the Company in accordance with the nominations by the president, and organise and implement assessment, decide assessment scheme, assessment result, remuneration distribution, reward & punishment matters; to decide the setting and adjustment schemes of the Company's internal management organs, to formulate the schemes for establishment, merger, separation, restructuring, dissolution, bankruptcy or change of company form of important subsidiaries of the Company; to formulate the basic management systems of the Company; to manage the information disclosure of the Company; to listen to the work reports of the president of the Company and inspect his/her work; to formulate the authorization management system of the Board; to promote the improvement of the Company's risk management system, internal control system, compliance management system and working system to hold the violator of investment regulation accountable for liabilities, to decide the major matters in the foresaid aspects, effectively identify, judge, promote the prevention and solving of major risks, and make overall monitoring and evaluation of related systems and their effective implementation; and other functions and powers provided in laws, the listing rules of the stock exchange at the places where the shares of the Company are listed and the Articles of Association, and those granted by the General Meetings.

Section V Corporate Governance (Corporate Governance Report) (continued)

2. Board Composition

At the beginning of the Reporting Period, the Company's Board consisted of nine directors: Mr. WANG Jianping, Mr. ZHUANG Shangbiao, Mr. CHEN Dayang, and Mr. LIU Ruchen as Executive Directors, Mr. GAO Lieyang as Non-executive Director, Mr. MA Chuanjing, Mr. ZHAO Lixin, Mr. XIE Guoguang, and Mr. TSIN Wai Lun Kenneth as Independent Non-executive Directors. Mr. WANG Jianping served as the Board Chairman, and Mr. ZHUANG Shangbiao served as the President.

As of the end of the Reporting Period, the Company's Board consisted of seven directors: Mr. WANG Lixin, and Mr. NI Zhen as Executive Directors, Mr. GAO Lieyang as Non-executive Director, Mr. MA Chuanjing, Mr. ZHAO Lixin, Mr. XIE Guoguang, and Mr. TSIN Wai Lun Kenneth as Independent Non-executive Directors. Mr. WANG Lixin also served as the President of the Company. Except for working relations with the Company, there's no financial, business or family relations among the Board members, and they don't have other major relations with each other. Except for the Director Recruitment Contract signed with the Company, directors of the Company don't hold any direct or indirect major private interest in any major contract signed by the Company or any subsidiary of the Company during the Reporting Period.

During the Reporting Period, to improve the scientific decision-making and enhance the standardized and effective operation, the Board actively widened the information communication channels, carried out special survey activities, strengthened the communication with the management, and paid attention to major issues in a timely manner. During the Reporting Period, all members of the Board diligently fulfilled their duties and carried out their work in accordance with the Articles of Association, the Rules of Procedure for the Board of Directors and terms of reference for each special committee. In 2023, the Board held 8 meetings in total. For more details, please refer to "IX. INFORMATION ABOUT THE BOARD MEETINGS HELD DURING THE REPORTING PERIOD" under this section.

3. Special Committees of the Board

The Nomination Committee, the Strategy and Investment Committee, the Remuneration and Evaluation Committee, and the Audit and Risk Management Committee were established under the Board. Each of the special committees has their terms of reference and shall be accountable to the Board. Under the unified leadership of the Board, the special committees shall provide recommendations, opinions and advice for the decisions to be made by the Board. The special committees may engage intermediary organisations to provide independent professional advice, and the relevant expenses therefor shall be borne by the Company. For the duty performance of each of the special committee of the Board during the Reporting Period, please refer to "XI. SPECIAL COMMITTEES UNDER THE BOARD" in this section.

Section V Corporate Governance (Corporate Governance Report) (continued)

(II) Board Chairman

During the Reporting Period (as of 28 December 2023), Mr. WANG Jianping served as the Chairman of the Company. The Chairman shall work in accordance with the Articles of Association, the Rules of Procedure for the Board of Directors, the Board Authorization Management System and other corporate governance systems and regulations. The Chairman is the Company's Legal Representative, mainly responsible for convening and presiding over board meetings, inspecting execution of board meeting resolutions, attending annual General Meetings, arranging various special committee chairman under the Board to attend meetings and answer questions from shareholders, signing on securities and other important documents issued by the Company and exercising other duties granted by the Board. The Chairman shall be accountable to and report to the Board of Directors.

(III) Independence of the Board

The Company has designated sufficient number of independent non-executive directors who have proper professional qualifications (such as being specialized in accounting or related financial management) in accordance with the regulations of the CSRC, Shanghai Stock Exchange, and Articles 3.10(1), 3.10(2), and 3.10A of the Hong Kong Stock Exchange Listing Rules. The Company has received the annual confirmation letters issued by all the independent non-executive directors for their independence. After due inquiry, the Board is of the view that each of the four independent non-executive directors of the Company maintains the independence as required by Article 3.5.4 of No.1 Guidelines for Self-regulation of Listed Companies in Shanghai Stock Exchange – Standardized Operation, Article 6 of Measures for the Administration of Independent Directors of Listed Companies, and Rule 3.13 of the Hong Kong Stock Exchange Listing Rules. They respectively have backgrounds in accounting, finance and corporate management and abundant professional experiences. They have diligently and earnestly performed their duties, provided professional advice for the stable operation and sustainable development of the Company, and carried out monitoring and coordination activities to safeguard the interests of the Company and its shareholders. During the Reporting Period, according to requirement in the Corporate Governance Code issued by the Hong Kong Stock Exchange, Board Chairman WANG Jianping and the independent non-executive directors held a meeting without attendance by other directors. In addition to the independent advice provided by the independent non-executive directors, the Company has formulated and improved the Articles of Association, the Rules of Procedure for the Board of Directors, Rules of Procedure for Special Meetings of Independent Directors, Independent Director Work System, and terms of reference for each special committee to clarify the nomination policy for directors, the terms of reference of the Remuneration and Evaluation Committee, the recusal mechanism for directors to vote on relevant resolutions to be considered by the Board of Directors, as well as the duty performance method and duty performance guarantee mechanism of independent directors, and the Board of Directors has engaged professional advisers such as external auditors, asset appraisers and independent financial advisers when considering matters such as periodic reports and material connected transactions to ensure that the Board of Directors can obtain independent views and opinions. The Board has reviewed the implementation and effectiveness of the aforementioned mechanisms and is of the view that such mechanisms are able to ensure independent views and input are available to the Board.

Section V Corporate Governance (Corporate Governance Report) (continued)

(IV) Board Diversity Policy

In order to further enhance the board decision-making efficiency and corporate governance level of the Company, the Company has adopted the board diversity policy, and incorporated it into the duties of the Nomination Committee of the Board of Directors in August 2013 and included it in the “Rules of Work of the Nomination Committee of the Board of Directors”. When selecting directors, the Company would take full consideration of the diversity of Board members, including but not limited to the factors of gender, age, region, cultural & education background, professional experience, service term, etc. All appointments by the Board follow the principle of employment by meritocracy, and are eventually decided based on good qualities of candidates and the contributions they could made to the Board.

During the Reporting Period, as for the board diversity policy, the Board has adopted and achieved the following measurement targets: at least 1 independent non-executive director shall usually reside in Hong Kong; at least 1 independent non-executive director shall have working experience as financial principal in large enterprises or shall be an expert in the aspect of enterprise finance and accounting; the number of independent non-executive directors shall be no less than one third of total number of Board members, and the sum of independent non-executive directors and non-executive directors shall exceed half of the number of Board members.

The Board, dedicating to gender diversity of board members, will promote gender diversity of Board members when appointing and re-electing directors in the future, so as to continuously meet the target of Board member diversity.

(V) Performance of the duties of corporate governance by the Board

In compliance with the regulatory requirements of the places where the shares of the Company are listed, the Board strictly complied with the Rules of Procedure of the Board of Directors to execute its responsibilities on corporate governance, including but not limited to:

Develop and review the Company’s policies and practices on corporate governance, and make suggestions.

Review and monitor the training and continuous professional development of directors and senior management. The Board actively arranged directors and senior management to participate in training related to their duties, and communicated with directors and senior management personnel on the updates and changes of regulatory laws and regulations in a timely manner, so that the directors and senior management personnel could sustainably develop their professional competence and improve their capabilities of performance of duties.

Review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements. The Board paid close attention to the compliance of the Company’s operations and established and refined the general legal consultation system. With the establishment of the legal and compliance department and engagement of law firms, the Company was able to comply with the requirements of laws and regulatory regulations.

Section V Corporate Governance (Corporate Governance Report) (continued)

Develop, review and monitor the code of conduct and compliance manual for employees and directors.

Review the Company's compliance with the relevant corporate governance requirements of the listing rules of the stock exchanges where the shares of the Company are listed and the disclosure in the Corporate Governance Report. The Board required the Company to strictly comply with the relevant corporate governance requirements of the listing rules of the stock exchanges where the shares of the Company are listed, and disclose information related to corporate governance in a timely manner.

VII. MANAGEMENT (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG STOCK EXCHANGE LISTING RULES)

(I) Overview of the Management

The daily production and operation of the Company is carried out under the president accountability system. The Company shall have one president, multiple vice presidents, chief accountant, chief engineer, chief economist, general counsel, chief compliance officer and safety director, all of which are appointed or dismissed by the Board.

The president shall be accountable to the Board and exercise the following functions and powers: to be in charge of the production, operation and management of the Company and to organise the implementation of the resolutions of the Board, and report to the Board of directors; to arrange for the implementation of the Company's annual business plans and investment plans; to propose the establishment of the Company's internal management structure plans; to propose the basic management systems of the Company; to formulate the basic rules and regulations of the Company; to request the Board to engage or dismiss the Company's vice presidents, chief accountant, chief engineer, chief economist, chief legal advisor, chief compliance officer, chief safety officer; to engage or dismiss management personnel other than those to be engaged or dismissed by the Board; to propose to convene extraordinary meetings of the Board and other functions and powers granted by the Board.

According to the requirements of the Board, the president shall provide the Board with important information about the Company's operating results, major transactions and material contracts, financial condition and business prospects in a timely manner, report his work to the Board on a regular basis, and ensure the authenticity, objectivity and completeness of such reports.

(II) President

During the Reporting Period, Mr. ZHUANG Shangbiao (as of 29 August 2023) and Mr. WANG Lixin (since 30 August 2023) successively served as the Company's presidents, responsible for the daily operation of the Company, mainly including presiding over the Company's production, operation and management, implementing the strategies and policies approved by the Board, the Company's business plan and investment plan, drafting the Company's internal management structure and basic management system, formulating the Company's basic rules, requesting the Board to engage or dismiss other senior management personnel, and exercising other functions and powers granted by the Articles of Association and the Board. The president shall be accountable to the Board regarding to the Company's operation conditions, and shall report to the Board regularly.

Section V Corporate Governance (Corporate Governance Report) (continued)

VIII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) The changes in shareholding and remuneration of current and resigned directors, supervisors and senior management during the Reporting Period

Applicable Not Applicable

Unit: share

Name	Title	Gender	Age	Start date of the term	Closing date of the term	Shares held at the beginning of the year	Shares held at the end of the year	Amount of increase or decrease of shares within the year	Reasons for the changes	Total remuneration before tax received from the Company during the Reporting Period (RMB '0,000)	Whether received remuneration from related parties of the Company
DAI Hegen	Secretary of the communist party committee, chairman and executive director	Male	57	27 December 2023 (Secretary of the communist party committee), 30 January 2024 (Chairman and executive director)	20 December 2024	-	-	-	/	-	No
WANG Lixin	President, deputy secretary of the communist party committee and executive director	Male	53	24 August 2023 (Deputy secretary of the communist party committee), 30 August 2023 (President), 22 September 2023 (Executive director)	20 December 2024	-	-	-	/	111.34	No
	Member of the standing committee of the party committee and vice president			11 June 2018	30 August 2023						
NI Zhen	Deputy secretary of the communist party committee and executive director	Male	52	24 August 2023 (Deputy secretary of the communist party committee), 22 September 2023 (Executive director)	20 December 2024	-	-	-	/	107.87	No
	Member of the standing committee of the party committee and vice president			11 June 2018	30 October 2023						
GAO Lieyang	Non-executive director	Male	58	21 December 2021	20 December 2024	-	-	-	/	-	No
MA Chuanjing	Independent non-executive director	Male	66	21 December 2021	20 December 2024	-	-	-	/	8.00	No
ZHAO Lixin	Independent non-executive director	Male	69	21 December 2021	20 December 2024	-	-	-	/	8.00	No
XIE Guoguang	Independent non-executive director	Male	63	21 December 2021	20 December 2024	-	-	-	/	8.00	No
TSIN Wai Lun Kenneth	Independent non-executive director	Male	56	21 December 2021	20 December 2024	-	-	-	/	12.70	No

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Title	Gender	Age	Start date of the term	Closing date of the term	Shares held at the beginning of the year	Shares held at the end of the year	Amount of increase or decrease of shares within the year	Reasons for the changes	Total remuneration before tax received from the Company during the Reporting Period	Whether received remuneration from related parties of the Company
										(RMB '0,000)	
ZHAO Wei	Chairman of Supervisory Committee	Male	55	21 December 2021	20 December 2024	-	-	-	/	100.08	No
LIU Zhengchang	Supervisor	Male	55	22 December 2017	Resignation after the general meeting	-	-	-	/	102.74	No
KANG Fuxiang	Employee supervisor and minister (general manager) of the organisation department (human resources department) of the party committee	Male	55	6 September 2018	20 December 2024	-	-	-	/	97.72	No
ZHAO Dianlong	Member of the standing committee of the party committee and vice president	Male	50	30 August 2021	20 December 2024	-	-	-	/	75.62	No
ZHU Hongbiao	Member of the standing committee of the party committee and chief accountant	Male	53	24 August 2023 (Member of the standing committee of the party committee), 30 August 2023 (Chief accountant)	20 December 2024	-	-	-	/	25.78	No
SUN Gongxin	Chief economist	Male	56	24 June 2015	20 December 2024	-	-	-	/	122.60	No
LEI Shengxiang	Chief engineer	Male	58	14 July 2016	20 December 2024	-	-	-	/	108.04	No
GUAN Shanyue	Safety director	Male	51	19 April 2019	20 December 2024	-	-	-	/	99.75	No
JING Jing	Secretary to the Board and office director of the Board	Female	52	12 January 2022	20 December 2024	-	-	-	/	97.99	No
WANG Jianping	Former secretary of the communist party committee, chairman and executive director	Male	63	19 October 2020 (Chairman and executive director), 7 September 2020 (Secretary of the communist party committee)	28 December 2023	-	-	-	/	119.37	No
ZHUANG Shangbiao	Former president, deputy secretary of the communist party committee and executive director	Male	61	28 October 2014 (Executive director), 4 December 2015 (President and deputy secretary of the communist party committee)	29 August 2023	-	-	-	/	90.33	No
CHEN Dayang	Former deputy secretary of the communist party committee and executive director	Male	60	18 June 2019 (Executive director), 29 November 2018 (deputy secretary of the communist party committee)	1 August 2023	-	-	-	/	77.09	No
LIU Ruchen	Former member of the standing committee of the party committee and executive director	Male	60	22 December 2017	28 December 2023	-	-	-	/	108.04	No

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Title	Gender	Age	Start date of the term	Closing date of the term	Shares held at the beginning of the year	Shares held at the end of the year	Amount of increase or decrease of shares within the year	Reasons for the changes	Total remuneration before tax received from the Company during the Reporting Period (RMB '0,000)	Whether received remuneration from related parties of the Company
WANG Xiuming	Former member of the standing committee of the party committee and chief accountant	Male	60	29 April 2014	1 August 2023	-	-	-	/	73.54	No
LI Ning	Former member of the standing committee of the party committee and vice president	Male	61	15 June 2017	27 March 2023	-	-	-	/	51.55	No
WANG Wenzhong	Former member of the standing committee of the party committee and vice president	Male	60	15 June 2017	30 October 2023	-	-	-	/	88.16	No
LIU Chengjun	Former member of the standing committee of the party committee and vice president	Male	60	11 June 2018	30 October 2023	-	-	-	/	94.71	No
ZHAO Jinhua	Former chief economist	Male	60	24 June 2015	28 April 2023	-	-	-	/	64.63	No
Total	/	/	/	/	/	-	-	-	/	1,853.65	/

Note:

The remuneration during the Reporting Period included remuneration paid directly by the Company to individuals and the Company's contributions to basic pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, enterprise annuity and housing fund for individuals.

Section V Corporate Governance (Corporate Governance Report) (continued)

Biographies of incumbent directors, supervisors and senior management

Name	Main working experience
DAI Hegen	<p>Aged 57, a Chinese with no right of abode overseas, is currently the secretary to the Party Committee, the chairman and executive director of the Company, as well as the secretary to the Party Committee and chairman of China Railway Construction Corporation. Mr. DAI served as the trainee, technician, director of repair shop, deputy director and director of machinery and equipment department, manager of Southeast Engineering Company, deputy director and acting director of machinery and equipment department, director of mechanical engineering department at the Third Engineering Division of the Fourth Engineering Bureau, Ministry of Railways; general manager, deputy chairman, and deputy secretary of the Party Committee of the Seventh Engineering Co., Ltd. of CTCE Group; deputy general manager, deputy chairman, general manager, deputy chairman, general manager, and deputy secretary of the Party Committee of CTCE Group; deputy general manager of China Railway Engineering Corporation; member of the Standing Committee of the Party Committee of China Railway Engineering Corporation, vice president and member of the Standing Committee of the Party Committee of China Railway Group Limited; secretary of the Party Committee and director of China Railway Engineering Corporation, executive director, president, and deputy secretary of the Party Committee of China Railway Group Limited; general manager and secretary of the Party Committee of China Railway Materials (Group) Corporation, executive director, president, and deputy secretary of the Party Committee of China Railway Group Limited; general manager and secretary of the Party Committee of China Railway Materials (Group) Corporation, chairman and secretary of the Party Committee of China Railway Materials Corporation; secretary of the Party Committee and deputy chairman of Xinxing Cathay International Group Co., Ltd.; chairman and secretary of the Party Committee of China National Chemical Engineering Group Corporation, chairman and secretary of the Party Committee of China National Chemical Engineering Co., Ltd. Since December 2023, he served as secretary of the Party Committee and chairman of China Railway Construction Group Co., Ltd., and secretary of the Party Committee of China Railway Construction Corporation Limited. Since January 2024, he served as the secretary of the Party Committee and chairman of China Railway Construction Group Co., Ltd., as well as secretary of the Party Committee and chairman of China Railway Construction Corporation Limited. Mr. DAI graduated from the Party School of the Central Committee of the Communist Party of China, majoring in economic management, and obtained a postgraduate degree. He is a professorate senior economist, and also a member of the 14th National Committee of the Chinese People's Political Consultative Conference.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
WANG Lixin	<p>Aged 53, a Chinese with no right of abode overseas, is currently the president, executive director and deputy secretary of the Party Committee of the Company, as well as the general manager, director, and deputy secretary of the Party Committee of China Railway Construction Corporation. Mr. WANG served as a trainee of Traffic Engineering Repair Institute, assistant engineer of Science and Technology Department, engineer, deputy general manager, manager of Bridge Construction Company, manager of Bridge Company of Railway Construction Research and Design Institute, deputy chief economist of Railway Construction Research and Design Institute and manager of Road and Bridge Company, deputy chief economist of China Railway Fifth Survey and Design Institute Group Co., Ltd., president, deputy secretary of Party Committee of Harbin Branch, assistant to president and president, deputy secretary of Party Committee, vice president, director, president, deputy secretary of the Party Committee, chairman of the Board and secretary of the Party Committee of Northeast Branch (Northeast Survey and Design Institute) of China Railway Fifth Survey and Design Institute Group Co., Ltd., the chairman, general manager and deputy secretary of Party Committee of China Railway 24th Bureau Group Co., Ltd., vice president of China Railway Construction Corporation Limited, member of standing committee of the Party Committee of China Railway Construction Group Co., Ltd., member of standing committee of the Party Committee and vice president of China Railway Construction Corporation Limited. Since August 2023, he served as general manager, deputy secretary of Party Committee, and director of China Railway Construction Group Co., Ltd., as well as president and deputy secretary of Party Committee of China Railway Construction Corporation Limited. Since September 2023, he served as general manager, deputy secretary of Party Committee, and director of China Railway Construction Group Co., Ltd., as well as president, deputy secretary of Party Committee and executive director of China Railway Construction Corporation Limited. Mr. WANG graduated from Southwest Jiaotong University with a bachelor's degree of Engineering, majoring in Bridge Engineering, and obtained a postgraduate degree in Economic Management of Party School of the Central Committee of C.P.C. He is a professorate senior engineer.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
NI Zhen	<p>Aged 52, a Chinese with no right of abode overseas, is currently the executive director and deputy secretary of Party Committee of the Company, as well as the employee director and deputy secretary of Party Committee of China Railway Construction Group Co., Ltd. He served as a trainee and assistant engineer of Equipment Installation Branch of Beijing China Railway Construction Corporation Limited, project manager of Shilihe Integrated Building Engineering Department of Equipment Installation Branch, director of Business Department and manager of Equipment Installation Branch of Beijing China Railway Construction Corporation Limited, deputy manager of Equipment Installation Company, deputy manager and acting manager of Marketing and Bidding Division I, manager of Equipment Installation Manager of Beijing China Railway Construction Company, deputy general manager of China Railway Construction Group Co., Ltd., director, general manager and deputy secretary of Party Committee of China Railway Urban Construction Group Co., Ltd., the director, general manager and deputy secretary of Party Committee of China Railway Real Estate Group Corporation Co., Ltd. He served as vice president of China Railway Construction Corporation Limited since June 2018. He served as a member of the standing committee of the communist party committee of China Railway Construction Group Co., Ltd., a member of the standing committee of the communist party committee and vice president of China Railway Construction Corporation Limited since July 2021. He served as deputy secretary of Party Committee and employee director of China Railway Construction Group Co., Ltd. and deputy secretary of Party Committee and executive director of China Railway Construction Corporation Limited since August 2023. He served as the deputy secretary of Party Committee and employee director of China Railway Construction Group Co., Ltd., and deputy secretary of Party Committee and executive director of China Railway Construction Corporation Limited since September 2023. Mr. NI graduated from Beijing University of Technology with a doctor's degree, majoring in Civil Engineering, and is a professorate senior engineer.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
GAO Lieyang	<p>Aged 58, a Chinese with no right of abode overseas, holds a master's degree, a professor-level senior architect, a registered constructor of PRC, a Chartered Builder of The Chartered Institute of Building, U.K., and is currently a non-executive director of the Company. He successively served as the chief officer of the design and supervision department of China State Construction Engineering Group Co., Ltd., executive deputy director of Fujian Office of China State Construction Engineering Group Co., Ltd., general manager of the China State Construction Engineering Group South Co., Ltd., executive deputy general manager of general contracting department of China State Construction Engineering Group Co., Ltd., general manager of decoration department of China State Construction Engineering Group Co., Ltd., executive director and general manager of China State Construction Development Co., Ltd., chairman and secretary to the Party Committee of China State Decoration Group Co., Ltd., assistant general manager of China State Construction Engineering Corporation Ltd., as well as chairman and secretary to the Party Committee of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd., and chairman of the supervisory committee of China State Construction Engineering Corporation Ltd. He is currently a professional external director for state-owned enterprises, and concurrently serves as an external director for China Poly Group Corporation Limited and external director for China Minmetals Corporation.</p>
MA Chuanjing	<p>Aged 66, a Chinese with no right of abode overseas, holds a Doctor's degree, and is currently an independent non-executive director of the Company. Mr. MA Chuanjing was a teacher in the Beijing Chemical Industry Institute, and previously served as an editor of the economic editorial department of Qiushi (Hongqi) Journal, vice president and president of the economic editorial department and the head of the international department of Qiushi Journal, the vice president of the Comprehensive Research Department under the Research Office of the State Council, the vice president and president of Industry, Transportation and Trade Research Department under the Research Office of the State Council and a professional external director for central state-owned enterprises. He was an external director of Sinotrans & CSC Holdings Co., Ltd., an external director of Sinochem Group Co., Ltd., an external director of Xinxing Cathay International Group Co., Ltd. and an non-executive director of China Energy Engineering Group Co., Ltd. Currently, he is also an external director of China International Engineering Consulting Corporation.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
ZHAO Lixin	Aged 69, a Chinese with no right of abode overseas, holds a bachelor's degree, and is currently an independent non-executive director of the Company. Mr. ZHAO Lixin was deputy chief designer of the Design and Research Institute, the deputy head and head of the chief engineer office, the deputy chief engineer and head of the chief engineer office, deputy chief engineer and the chief production officer, the deputy secretary to the Party Committee, the secretary to the Party Committee and the deputy general manager of China First Heavy Industries Group Co., Ltd. He was an external director of China Grain Reserves Group Company Ltd. He is also an independent non-executive director of China Energy Engineering Corporation Limited.
XIE Guoguang	Aged 63, a Chinese with no right of abode overseas, holds a bachelor's degree, a professor-level senior accountant, and is currently an independent non-executive director of the Company. Mr. XIE Guoguang was an assistant accountant in the finance department of the Bureau of Administration of the Ministry of Construction, accountant of the Audit Bureau of the Ministry of Construction, accountant of the finance department of China Construction Technical Research Centre, accountant of Witt Company, accountant, deputy director and director of the finance department of China Architecture Design & Research Group, chief accountant of China Architecture Design & Research Group, chief accountant and secretary to the board of directors of China Construction Technology Group Co., Ltd., chief accountant of China Construction Technology Co., Ltd., and a standing committee member of the Party Committee and chief accountant of China Energy Conservation and Environmental Protection Group. He is also an external director of China National Coal Group Corporation.

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
TSIN Wai Lun Kenneth	Aged 56, with Chinese (Hong Kong) nationality and no right of abode overseas, holds a doctor's degree, a master's degree in law, a master's degree in Science in Electronic Commerce and Internet Computing, and a master's degree in Business Administration, and is currently an independent non-executive director of the Company. He previously served as head of department in the Bank of East Asia Limited, and vice president of Chinese Bankers Club, Hong Kong. He currently also serves as chairman and chief executive officer of CBHK Holdings Limited, chief executive officer of CMK lawyers, founder of the Hong Kong International Data Protection Society, founder of Greater Bay Area Hong Kong International Professional Services Association, member of the Small and Medium Law Firms Association of Hong Kong, and consultant of Chinese Bankers Club, Hong Kong. He is also an external director of China Merchants Group Co., Ltd.
ZHAO Wei	Aged 55, a Chinese with no right of abode overseas, is currently the chairman of the Supervisory Committee of the Company. Mr. ZHAO once served as assistant to general manager, general manager, deputy secretary of the Party Committee and director, secretary of the Party Committee, chairman and general manager, and secretary of the Party Committee and chairman of China Railway Construction Group Co., Ltd., the executive deputy head of the construction leading group of residential district of CRCC headquarters, and became deputy chief economist and general manager of the corporate management department of the Company in February 2021. He has served as the chairman of the Supervisory Committee of the Company since December 2021. Mr. ZHAO graduated from Beijing Institute of Technology with a doctor's degree, majoring in management science and engineering, and is a professor-level senior engineer.

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
LIU Zhengchang	<p>Aged 55, a Chinese with no right of abode overseas, currently serves as a supervisor of the Company, a member of standing committee of the Party Committee and chief accountant of China Communications Construction Group Co., Ltd., and CFO of China Communications Construction Corporation Limited. Mr. LIU once served as a trainee, a statistician, an accounting staff, head of the financial division, assistant accountant of the 1st department of the 19th Bureau of the Ministry of Railways, as well as chief accountant and section chief of the financial section of the 7th branch of the Company and chief accountant of the 5th department, the director of the audit department and the head of the finance department of China Railway 19th Bureau Group Co., Ltd., a member of the communist party committee, the deputy general manager and the chief accountant of China Railway 15th Bureau Group Co., Ltd. He served as the chief of the audit and supervision bureau of the Company since May 2016. He served as a supervisor of the Supervisory Committee of the Company since December 2017. He served as a supervisor, the chief auditor, chief of the audit and supervision bureau since January 2019 and the chief auditor, a supervisor, and general manager of the audit and supervision bureau of the Company since December 2019. He served as a supervisor of the Company, a member of the standing committee of the communist party committee and chief accountant of China Communications Construction Group Co., Ltd. since December 2023. He served as a member of the standing committee of the communist party committee and chief accountant of China Communications Construction Group Co., Ltd., and CFO of China Communications Construction Corporation Limited since January 2024. Mr. LIU graduated from Dongbei University of Finance and Economics majoring in business administration, and obtained master's degree of Business Administration. He is a professorate senior accountant and elected as a member of the national training programme for leaders in the accounting profession.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
KANG Fuxiang	<p>Aged 55, a Chinese with no right of abode overseas, is currently an employee representative supervisor of the Company, and serves concurrently as the head (general manager) of Organisation Department of Party Committee (Human Resources Department) of the Company. Mr. KANG served as the deputy head and head of Human Resources Department (Department of Cadres of Party Committee) of China Railway 14th Bureau Group Co., Ltd., a Class-A(1) file clerk, the director of Leading Cadres Department, the deputy head of Human Resources Department (Department of Cadres of Party Committee), and the deputy head of Organisation Department of Party Committee (Department of Cadres of Party Committee) of China Railway Construction Corporation Limited. He has been serving as the head of Organisation Department of Party Committee (Department of Cadres of Party Committee, Office of United Front of Party Committee) of the Company since June 2018, he has been acting as an employee representative supervisor of the supervisory committee of the Company since September 2018, as well as the head (general manager) of Organisation Department of Party Committee (Human Resources Department) of the Company since July 2019. Mr. KANG graduated from Suzhou Railway Normal College, majoring in Chinese Language and Literature Education (bachelor's degree of Arts). He is a senior economist.</p>
ZHAO Dianlong	<p>Aged 50, a Chinese with no right of abode overseas, is currently a member of the standing committee of the communist party committee and the vice president of the Company, as well as a member of the standing committee of the communist party committee of China Railway Construction Corporation. He served as the secretary of the party committee, vice chairman, secretary of the disciplinary committee and chairman of the labour union of CRCC International Group Co., Ltd., the secretary of the party committee and vice chairman of CRCC International Group Co., Ltd., the general manager, director and deputy secretary of the party committee of China Civil Engineering Construction Corporation, the chairman and secretary of the party committee of China Civil Engineering Construction Corporation. He served as a member of the standing committee of the party committee of China Railway Construction Corporation since July 2021; a member of the standing committee of the party committee of China Railway Construction Corporation and a member of the standing committee of the party committee and vice president of China Railway Construction Corporation Limited since August 2021. Mr. ZHAO graduated from Northern Jiaotong University majoring in railway engineering with a master's degree. He is a professorate senior engineer and entitled to special government allowances from the State Council.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
ZHU Hongbiao	<p>Aged 53, a Chinese with no right of abode overseas, is currently a member of the standing committee of the communist party committee and the chief accountant of the Company, as well as a member of the standing committee of the communist party committee of China Railway Construction Corporation. He previously served as accountant in the Finance Department of China Road and Bridge Corporation (CRBC), accountant in its Kenya Office, deputy director of the Fund Division in the Finance Department, assistant of the general manager in the Fund Management Department, deputy general manager of the Fund Management Department, deputy general manager of the Financial and Accounting Department, and director of the Fund Settlement Centre; deputy general manager of the Fund Department and deputy director of the Fund Settlement Centre of China Communications Construction Group Co., Ltd., general manager of the Fund Department and director of the Fund Settlement Centre of China Communications Construction Co., Ltd., general manager of the Financial and Fund Department of China Communications Construction Group Co., Ltd. and China Communications Construction Co., Ltd., CFO of China Urban and Rural Construction Group, and deputy leader of the preparatory group of China Zhibao Co., Ltd.; in October 2019, he took the position of member of the Standing Committee of the Party Committee and chief accountant of China Communications Construction Co., Ltd.; in August 2023, he was appointed as member of the Standing Committee of the Party Committee of China Railway Construction Group Co., Ltd., member of the Standing Committee of the Party Committee and chief accountant of China Railway Construction Corporation Limited. Mr. ZHU graduated from Chang'an University (formerly known as Xi'an Highway University) with a Bachelor's degree in Accounting, and later obtained a Master's degree in Accounting from Peking University. He is a professorate senior accountant.</p>
SUN Gongxin	<p>Aged 56, a Chinese with no right of abode overseas, is currently a chief economist of the Company, and concurrently serves as the secretary of the party committee and chairman of CRCC Kunlun Investment Group Co., Ltd. He served as the chairman, general manager and deputy secretary of the party committee of China Railway 19th Bureau Group First Engineering Co., Ltd., and the deputy general manager, general manager, vice chairman and deputy secretary of the party committee of China Railway 19th Bureau Group Co., Ltd. He has been appointed as the assistant to the president of the Company since March 2014, the special assistant to the president of the Company since July 2014, the chief economist of the Company since June 2015, and concurrently served as the secretary of the party committee and chairman of CRCC Kunlun Investment Group Co., Ltd since April 2021. Mr. SUN graduated from Tsinghua University majoring in business administration with a master's degree. He is a professorate senior engineer.</p>

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Main working experience
LEI Shengxiang	Aged 58, a Chinese with no right of abode overseas, is currently a chief engineer of the Company. He served as the deputy chief engineer and chief engineer of China Railway 18th Bureau Group Co., Ltd., the general manager, vice chairman, deputy secretary of the party committee, chairman, general manager and deputy secretary of the party committee of China Railway 13th Bureau Group Co., Ltd., the chairman and secretary of the party committee of China Railway 20th Bureau Group Co., Ltd. He has served as the chief engineer of the Company since July 2016. Mr. LEI graduated from Southwest Jiaotong University majoring in bridge and tunnel engineering with a doctorate. He is a professorate senior engineer.
GUAN Shanyue	Aged 51, a Chinese with no right of abode overseas, is currently a safety director of the Company. He served as the division director and deputy department director of the second supervision and management division of the second department of safety supervision and management of the State Administration of Work Safety, a temporary member of the standing committee of the municipal party committee and deputy mayor of Huainan City, Anhui Province, and deputy director of the department of safety production comprehensive coordination of the emergency management department. He has been appointed as the safety director of the Company since April 2019. Mr. GUAN graduated from China University of Mining and Technology majoring in mining engineering with a master's degree. He is a senior engineer.
JING Jing	Aged 52, a Chinese with no right of abode overseas, is currently the secretary to the Board of the Company and the director of the Board office. She served as the director of the secretary division of the Board office of China Railway Construction Corporation Limited, deputy director of the secretary bureau of the Board and division chief of the secretariat division, deputy director, and director of the secretary bureau of the Board. She has been serving as director of the Board office of the Company since December 2019, and as secretary to the Board of the Company since January 2022. Ms. JING graduated from Northern Jiaotong University with a master's degree in business administration. She is a senior economist.

Explanation for other matters

Applicable Not Applicable

Section V Corporate Governance (Corporate Governance Report) (continued)

(II) Occupations of incumbent and resigned directors, supervisors and senior management during the Reporting Period

1. Occupations in shareholder entities

Applicable Not Applicable

Name of the employee	Name of shareholder entities	Positions in shareholder entities	Initial date	End date
DAI Hegen	China Railway Construction Corporation	Chairman and secretary of the communist party committee	December 2023	
WANG Lixin	China Railway Construction Corporation	General manager, director, and deputy secretary of the communist party committee	August 2023	
NI Zhen	China Railway Construction Corporation	Employee director and deputy secretary of the communist party committee	August 2023	
ZHAO Dianlong	China Railway Construction Corporation	Member of the standing committee of the communist party committee	July 2021	
ZHU Hongbiao	China Railway Construction Corporation	Member of the standing committee of the communist party committee	August 2023	
Explanation of occupations in shareholder entities		Nil		

Section V Corporate Governance (Corporate Governance Report) (continued)

2. Occupations in other entities

Applicable Not Applicable

Name of the employee	Name of other entities	Positions in other entities	Initial date	End date
GAO Lieyang	China Poly Group Corporation Limited	External director	July 2020	
	China Minmetals Group Co., Ltd.	External director	July 2020	
MA Chuanjing	China International Engineering Consulting Corporation	External director	March 2021	
ZHAO Lixin	China Energy Engineering Group Company Limited	Independent non-executive director	June 2020	
XIE Guoguang	China National Coal Group Corporation	External director	February 2021	
TSIN Wai Lun Kenneth	China Merchants Group Co., Ltd.	External director	June 2022	
LIU Zhengchang	China Communications Construction Group Co., Ltd.	Member of the standing committee of the communist party committee, chief accountant	December 2023	
	China Communications Construction Co., Ltd.	CFO	January 2024	
SUN Gongxin	CRCC Kunlun Investment Group Co., Ltd.	Secretary of the party committee, chairman	April 2021	
Explanation of occupations in other entities		Nil		

Section V Corporate Governance (Corporate Governance Report) (continued)

(III) Remuneration of directors, supervisors and senior management

Applicable Not Applicable

Decision-making procedures for remuneration of directors, supervisors and senior management

1. Decision-making procedures for remuneration of directors and supervisors

Pursuant to the procedures and standards under the “Measures for the Management of Remuneration (Remuneration and Work Allowance) of Directors and Supervisors of China Railway Construction Corporation Limited” passed and approved at the General Meeting, the Remuneration and Evaluation Committee proposed the annual remuneration standards for the directors and supervisors of the Company, which would be put forward for approval at the General Meeting upon consideration by the Board.

2. Decision-making procedures for remuneration of senior management

The Remuneration and Evaluation Committee proposed the annual remuneration results for senior management of the Company in accordance with the “Measures for the Management of Remuneration of Senior Management of China Railway Construction Corporation Limited” and the Board’s assessment results on the annual performance of the senior management of the Company to determine the annual remuneration of the senior management, and submitted it to the Board for consideration before implementation.

Specific information on the recommendations made by the Remuneration and Evaluation Committee or the special meetings of independent directors on the remuneration of directors, supervisors and senior management

Agree the resolution on the remuneration of directors, supervisors and senior management.

Section V Corporate Governance (Corporate Governance Report) (continued)

Determination basis for remuneration of directors, supervisors and senior management

1. Determination basis for remuneration of directors

The determination basis for remuneration of directors of the Company shall be relevant provisions under the “Measures for the Management of Remuneration (Remuneration and Work Allowance) of Directors and Supervisors of China Railway Construction Corporation Limited” and the Company’s assessment results for directors.

2. Determination basis for remuneration of supervisors

The determination basis for remuneration of supervisors of the Company shall be relevant provisions under the “Measures for the Management of Remuneration (Remuneration and Work Allowance) of Directors and Supervisors of China Railway Construction Corporation Limited” and the Company’s assessment results for supervisors.

3. Determination basis for remuneration of senior management

The determination basis for remuneration of senior management of the Company shall be in compliance with the “Measures for the Management of Remuneration of Senior Management of China Railway Construction Corporation Limited” and the Board’s assessment results on the annual performance for the senior management of the Company.

Particulars of remuneration paid for the remuneration of directors, supervisors and senior management

Please refer to “(I) The changes in shareholding and remuneration of current and resigned directors, supervisors and senior management during the Reporting Period” of this section for the details of the salary payable and actual salary from the Company and the company of the shareholder at the end of Reporting Period for current and resigned directors, supervisors, and senior management during the Reporting Period.

Total of actual remuneration received by directors, supervisors and senior management at the end of Reporting Period

RMB18.5365 million

Section V Corporate Governance (Corporate Governance Report) (continued)

(IV) Changes of directors, supervisors and senior management of the Company

Applicable Not Applicable

Name	Position held	Information on the change	Reason for change
DAI Hegen	Secretary of the communist party committee, Chairman, executive director	Election	Work needs
WANG Lixin	President, deputy secretary of the communist party committee, executive director	Appointment	Work needs
	Former member of the standing committee of the communist party committee, vice president	Resignation	Work needs
NI Zhen	Deputy secretary of the communist party committee, executive director	Appointment	Work needs
	Former member of the standing committee of the communist party committee, vice president	Resignation	Work needs
ZHU Hongbiao	Member of the standing committee of the communist party committee, chief accountant	Appointment	Work needs
WANG Jianping	Former secretary of the communist party committee, chairman, executive director	Resignation	Reaching the age of retirement
ZHUANG Shangbiao	Former president, deputy secretary of the communist party committee, executive director	Resignation	Reaching the age of retirement
CHEN Dayang	Former deputy secretary of the communist party committee, executive director	Resignation	Reaching the age of retirement
LIU Ruchen	Former member of the standing committee of the communist party committee, executive director	Resignation	Reaching the age of retirement

Section V Corporate Governance (Corporate Governance Report) (continued)

Name	Position held	Information on the change	Reason for change
WANG Xiuming	Former member of the standing committee of the communist party committee, chief accountant	Resignation	Reaching the age of retirement
LI Ning	Former member of the standing committee of the communist party committee, vice president	Resignation	Reaching the age of retirement
WANG Wenzhong	Former member of the standing committee of the communist party committee, vice president	Resignation	Reaching the age of retirement
LIU Chengjun	Former member of the standing committee of the communist party committee, vice president	Resignation	Reaching the age of retirement
ZHAO Jinhua	Former chief economist	Resignation	Reaching the age of retirement

On 27 March 2023, Mr. LI Ning ceased to serve as the member of the standing committee of the communist party committee and vice president of the Company due to his age.

On 28 April 2023, Mr. ZHAO Jinhua ceased to serve as the chief economist of the Company due to his age.

On 1 August 2023, the Company received a written letter of resignation from Mr. CHEN Dayang. Mr. CHEN Dayang applied to the Board for resignation from his positions as an executive director of the Company and a member of the nomination committee of the Board due to his age, with effect from the date of delivery of the letter of resignation to the Board. After his resignation, Mr. CHEN Dayang no longer holds any position in the Company. For details, please refer to the relevant announcements published by the Company dated 2 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 1 August 2023, the Company received a written letter of resignation from Mr. WANG Xiuming, the chief accountant of the Company. Mr. WANG Xiuming applied to the Board for resignation from his position as the chief accountant of the Company due to his age, with effect from the date of delivery of the letter of resignation to the Board. After his resignation, Mr. WANG Xiuming no longer holds any position in the Company. For details, please refer to the relevant announcements published by the Company dated 2 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

Section V Corporate Governance (Corporate Governance Report) (continued)

On 29 August 2023, the Company received a written letter of resignation from Mr. ZHUANG Shangbiao, an executive director and the president of the Company. Mr. ZHUANG Shangbiao applied to the Board for resignation from his positions as an executive director, the president of the Company and the chairman of the strategy and investment committee of the Board due to his age, with effect from the date of delivery of the letter of resignation to the Board. After his resignation, Mr. ZHUANG Shangbiao no longer holds any position in the Company. For details, please refer to the relevant announcements published by the Company dated 30 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 30 August 2023, the “resolution in relation to the appointment of president of the Company” was considered and approved at the 18th meeting of the fifth session of the Board, and Mr. WANG Lixin was appointed as the president of the Company, with his term consistent with that of the current senior management of the Company, starting from the date of approval by the Board. For details, please refer to the relevant announcements published by the Company dated 31 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 30 August 2023, the “resolution in relation to the appointment of chief accountant of the Company” was considered and approved at the 18th meeting of the fifth session of the Board, and Mr. ZHU Hongbiao was appointed as the chief accountant of the Company, with his term consistent with that of the current senior management of the Company, starting from the date of approval by the Board. For details, please refer to the relevant announcements published by the Company dated 31 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 22 September 2023, the “resolution in relation to the addition of executive directors of the Company” was considered and approved at the first extraordinary general meeting in 2023. Mr. WANG Lixin and Mr. NI Zhen were added as executive directors of the Company, with term of office being the same as that of the fifth session of the Board, starting from the date when they were elected at the General Meeting. On 22 September 2023, the “resolution in relation to members of special committees of the fifth session of the board of directors” was considered and approved at the 19th meeting of the fifth session of the Board. Mr. WANG Lixin was appointed as the chairman of the strategy and investment committee, and Mr. NI Zhen was appointed as member of nomination committee of the Board. For details, please refer to the relevant announcements published by the Company dated 23 September 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

Section V Corporate Governance (Corporate Governance Report) (continued)

On 30 October 2023, the “resolution in relation to cease of three people including Ni Zhen as the vice presidents of the Company” was considered and approved at the 20th meeting of the fifth session of the Board. Mr. NI Zhen no longer served as the vice president of the Company due to work adjustment; Mr. WANG Wenzhong and Mr. LIU Chengjun no longer served as the vice presidents of the Company due to their retirement. For details, please refer to the relevant announcements published by the Company dated 31 October 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 28 December 2023, the Company received a written letter of resignation from Mr. WANG Jianping, the chairman and executive director of the Company. Mr. WANG Jianping applied to the Board for resignation from his positions as the chairman and executive director of the Company and the chairman of the nomination committee of the Board due to his age, with effect from the date of delivery of the letter of resignation to the Board. After his resignation, Mr. WANG Jianping no longer holds any position in the Company. For details, please refer to the relevant announcements published by the Company dated 29 December 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 28 December 2023, the Company received a written letter of resignation from Mr. LIU Ruchen, the executive director of the Company. Mr. LIU Ruchen applied to the Board for resignation from his positions as an executive director of the Company and a member of the strategy and investment committee of the Board due to his age, with effect from the date of delivery of the letter of resignation to the Board. After his resignation, Mr. LIU Ruchen will no longer hold any position in the Company. For details, please refer to the relevant announcements published by the Company dated 29 December 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

On 30 January 2024, the “resolution in relation to the addition of an executive director of the Company” was considered and approved at the first extraordinary general meeting in 2024. Mr. DAI Hegen was added as an executive director of the Company, with term of office being the same as that of the fifth session of the Board, starting from the date when he was elected at the General Meeting. On 30 January 2024, at the 25th meeting of the fifth session of the Board, Mr. DAI Hegen was elected as the chairman of the Company and the chairman of the nomination committee. For details, please refer to the relevant announcements published by the Company dated 31 January 2024 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

Section V Corporate Governance (Corporate Governance Report) (continued)

(V) Punishment imposed by securities regulatory authorities in recent three years

Applicable Not Applicable

(VI) Others

Applicable Not Applicable

1. Interests in the Company held by directors, supervisors and the chief executive

As at the end of the Reporting Period, none of the directors, supervisors or the chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) (a) which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or (b) which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

2. Service contracts of directors and supervisors

Each of the directors and supervisors had entered into a three-year service contract with the Company. None of the directors or supervisors had entered into a service contract with the Company which could not be terminated by the employer within one year without compensation (other than statutory compensation). Remuneration of directors and supervisors and details of the five persons with the highest remuneration are set out in Note XIII "2(ii) directors', supervisors' and key managements' remuneration" to the Financial Report in this report. During the Reporting Period, none of the directors or supervisors of the Company waived or agreed to waive any remuneration.

3. Transactions, arrangements or interests in contracts owned by directors and supervisors or related entities

During the Reporting Period, neither the Company nor its subsidiaries had entered into any transactions, arrangements or contracts in which any director or supervisor had a material interest, whether directly or indirectly. None of the Company or its subsidiaries had provided any loan or quasi-loan to any directors or other members of senior management of the Company.

Section V Corporate Governance (Corporate Governance Report) (continued)

IX. INFORMATION ABOUT THE BOARD MEETINGS HELD DURING THE REPORTING PERIOD

Meeting session	Date of meeting	Meeting resolutions
The 15th meeting of the fifth session of the Board	13 January 2023	11 resolutions, including the “Resolution in relation to Comprehensive Credit Line of Financial Institutions for Head Office of the Company in 2023”, were considered and approved.
The 16th meeting of the fifth session of the Board	29 March 2023	18 resolutions, including the “Resolution in relation to the Report on the Company’s Financial Accounts for the Year 2022”, were considered and approved.
The 17th meeting of the fifth session of the Board	28 April 2023	6 resolutions, including the “Resolution in relation to the Company’s First Quarterly Report for 2023”, were considered and approved.
The 18th meeting of the fifth session of the Board	30 August 2023	9 resolutions, including the “Resolution in relation to the 2023 Semi-annual Report of the Company and Its Abstract”, were considered and approved.
The 19th meeting of the fifth session of the Board	22 September 2023	The “Resolution in relation to Members of Special Committees of the Fifth Session of the Board of Directors” was considered and approved.
The 20th meeting of the fifth session of the Board	30 October 2023	7 resolutions, including the “Resolution in relation to the Company’s Third Quarterly Report for 2023”, were considered and approved.
The 21st meeting of the fifth session of the Board	1 December 2023	2 resolutions, including the “Resolution in relation to Transferring China Railway Maglev Transportation Investment & Construction Co., Ltd. into the Management Scope of China Railway SIYUAN Survey and Design Group Co., Ltd.”, were considered and approved.
The 22nd meeting of the fifth session of the Board	29 December 2023	2 resolutions, including the “Resolution in relation to Revising ‘Independent Director Work System for China Railway Construction Corporation Limited’”, were considered and approved.

Section V Corporate Governance (Corporate Governance Report) (continued)

X. PERFORMANCE OF DUTIES OF DIRECTORS DURING THE REPORTING PERIOD

(I) Directors' attendance at the Board Meetings and General Meetings

Director Name	Independent director or not	Required number of attendance for the year	Attendance at the Board Meetings					Attendance at the General Meetings		
			Attendance in person	Attendance by communication	Attendance by proxy	Absence	Two consecutive absences from the Board meeting	Attendance rate	Number of attendance	Attendance rate
WANG Lixin	No	4	1	2	1	0	No	75.00%	-	-
NI Zhen	No	4	2	2	0	0	No	100%	-	-
GAO Lieyang	No	8	5	2	1	0	No	87.50%	2	100%
MA Chuanjing	Yes	8	6	2	0	0	No	100%	2	100%
ZHAO Lixin	Yes	8	6	2	0	0	No	100%	2	100%
XIE Guoguang	Yes	8	6	2	0	0	No	100%	1	50%
TSIN Wai Lun Kenneth	Yes	8	5	2	1	0	No	87.50%	2	100%
WANG Jianping	No	7	5	1	1	0	No	85.71%	2	100%
ZHUANG Shangbiao	No	3	3	0	0	0	No	100%	1	100%
CHEN Dayang	No	3	3	0	0	0	No	100%	1	100%
LIU Ruchen	No	7	6	1	0	0	No	100%	2	100%

Explanation of two consecutive absences from the Board meeting

Applicable Not Applicable

Explanation of independent non-executive director absent from general meeting of the Company

Applicable Not Applicable

Mr. XIE Guoguang, an independent non-executive director, was absent from 2022 annual general meeting of the Company due to his other official duties.

Number of board meetings held within the year	8
Including: Number of meetings held on site	6
Number of meetings held by communication	2
Number of meetings held on site in combination with communication	0

Section V Corporate Governance (Corporate Governance Report) (continued)

(II) Directors' objection to any matters related to the Company

Applicable Not Applicable

(III) Others

Applicable Not Applicable

XI. SPECIAL COMMITTEES UNDER THE BOARD

Applicable Not Applicable

(I) Special Committees under the Board of Directors

Special Committee	Name of Member
Nomination Committee ^{Note1}	Chairman: DAI Hegen (Board Chairman, Executive Director); Members: NI Zhen (Executive Director), ZHAO Lixin (Independent Non-executive Director), XIE Guoguang (Independent Non-executive Director), TSIN Wai Lun Kenneth (Independent Non-executive Director).
Strategy and Investment Committee ^{Note2}	Chairman: WANG Lixin (President, Executive Director); Members: GAO Lieyang (Non-executive Director), MA Chuanjing (Independent Non-executive Director), XIE Guoguang (Independent Non-executive Director).
Remuneration and Evaluation Committee	Chairman: MA Chuanjing (Independent Non-executive Director); Members: GAO Lieyang (Non-executive Director), ZHAO Lixin (Independent Non-executive Director).
Audit and Risk Management Committee	Chairman: XIE Guoguang (Independent Non-executive Director); Members: GAO Lieyang (Non-executive Director), MA Chuanjing (Independent Non-executive Director), ZHAO Lixin (Independent Non-executive Director), TSIN Wai Lun Kenneth (Independent Non-executive Director).

Section V Corporate Governance (Corporate Governance Report) (continued)

Note 1: On 28 December 2023, Mr. WANG Jianping, due to his age, applied to the Company's Board to resign from his positions as the chairman and executive director of the Company as well as the chairman of Nomination Committee of the Board. On 30 January 2024, at the 25th meeting of the fifth session of the Board, Mr. DAI Hegen was elected as the chairman of the Company and the chairman of the Nomination Committee.

On 1 August 2023, Mr. CHEN Dayang, due to his age, applied to the Company's Board to resign from his positions as an executive director of the Company and member of the Nomination Committee. On 22 September 2023, the "Resolution in relation to Members of Special Committees of the Fifth Session of the Board of Directors" was considered and approved at the 19th meeting of the fifth session of the Board. Mr. NI Zhen was appointed as member of Nomination Committee of the Board.

Note 2: On 29 August 2023, Mr. ZHUANG Shangbiao, due to his age, applied to the Company's Board to resign from his positions as an executive director and president of the Company as well as the chairman of the Strategy and Investment Committee. On 22 September 2023, the "Resolution in relation to Members of Special Committees of the Fifth Session of the Board of Directors" was considered and approved at the 19th meeting of the fifth session of the Board. Mr. WANG Lixin, the executive director and president of the Company, was appointed as the chairman of the Strategy and Investment Committee.

On 28 December 2023, Mr. LIU Ruchen, due to his age, applied to the Company's Board to resign from his positions as an executive director of the Company and member of the Strategy and Investment Committee.

(II) Nomination Committee

The main duties of the Nomination Committee include regulating the selection standards and procedures of the directors, president and other senior management of the Company, implementing and reviewing the policy on Board diversity, etc. The main duties and responsibilities of the Nomination Committee include the director nomination policy, which (as set out below) specifies major standards and principles on the nomination of directors of the Company and the measures to be adopted by the Nomination Committee for the implementation of such policy: 1. to examine the structure, number of members and composition (including professional skills, knowledge and expertise related aspects) of the Board at least once a year and provide recommendations to the Board on any changes proposed to complement the Company's strategies; 2. to consider the criteria and procedures for the selection of directors, and provide recommendations thereon to the Board; 3. to widely seek for candidates that have the appropriate qualifications to serve as directors; 4. to examine candidates for director and provide recommendations; 5. to evaluate the independence of the independent non-executive directors; 6. to provide recommendations to the Board on matters relevant to the plans for the appointment or reappointment of directors and the plans for succession to the positions of directors; 7. to report to the Board its decisions or recommendations, except those which cannot be reported according to the laws or regulatory restrictions; and 8. when reviewing the scale and composition of the Board and searching for and proposing the candidates for the directors, the Nomination Committee will consider the diversity of the Board from various aspects based on the business mode and specific needs, including but not limited to the gender, age, education background or professional experience. During the Reporting Period, the Nomination Committee strictly followed the above nomination policy.

Section V Corporate Governance (Corporate Governance Report) (continued)

During the Reporting Period, the Nomination Committee performed its duties conscientiously pursuant to the requirements of the Company Law, the Articles of Association, the Terms of Reference of the Nomination Committee and relevant laws and regulations and reviewed the structure, number of members and the composition (including skills, knowledge and experience) of the Board. The Nomination Committee held a total of 2 meetings during the Reporting Period.

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
30 August 2023	3 resolutions, including the "Resolution in relation to Adding Executive Directors for the Company", were considered.	The Nomination Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Nomination Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. WANG Jianping, members Mr. ZHAO Lixin, Mr. XIE Guoguang and Mr. TSIN Wai Lun Kenneth attended the meeting.
30 October 2023	The "Resolution in relation to Cease of Three People including NI Zhen as the Vice Presidents of the Company" was considered.	The Nomination Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Nomination Committee, diligently fulfilled its responsibilities, and unanimously approved the resolution at the meeting after thorough communication and discussion.	Chairman Mr. WANG Jianping, members Mr. NI Zhen, Mr. ZHAO Lixin, Mr. XIE Guoguang and Mr. TSIN Wai Lun Kenneth attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

(III) Strategy and Investment Committee

The main duties of the Strategy and Investment Committee are to study and make recommendations for the development strategies and plans, significant investment decisions of the Company, etc.

During the Reporting Period, in accordance with the requirements of the Company Law, the Articles of Association, the Terms of Reference for the Strategy and Investment Committee and other relevant laws and regulations, the Strategy and Investment Committee earnestly performed its duties, assessed the development strategies of the Company and studied and proposed suggestions to significant investments and financings, significant capital operations, capital operation programs and plans on adjustment to organisational structure. The Strategy and Investment Committee held a total of 6 meetings during the Reporting Period.

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
13 January 2023	3 resolutions, including "Resolution in relation to Redecision of West Colombia Tram Franchise Project of China Civil Engineering Construction Corporation Due to Changes in Financing Plan", were considered.	The Strategy and Investment Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Strategy and Investment Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. ZHUANG Shangbiao, members Mr. LIU Ruchen, Mr. GAO Lieyang, Mr. MA Chuanjing, and Mr. XIE Guoguang attended the meeting.
28 March 2023	2 resolutions, including the "Resolution in relation to Newly-increased Asset Securitization Issuance Quota for the Company", were considered.	The Strategy and Investment Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Strategy and Investment Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. ZHUANG Shangbiao, members Mr. LIU Ruchen, Mr. GAO Lieyang, Mr. MA Chuanjing, and Mr. XIE Guoguang attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
27 April 2023	The resolutions related to investment projects were considered.	The Strategy and Investment Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Strategy and Investment Committee, diligently fulfilled its responsibilities, and unanimously approved the resolutions at the meeting after thorough communication and discussion.	Chairman Mr. ZHUANG Shangbiao, members Mr. LIU Ruchen, Mr. MA Chuanjing, and Mr. XIE Guoguang attended the meeting. Member Mr. GAO Lieyang entrusted Mr. XIE Guoguang in written form to attend the meeting on his behalf.
29 August 2023	The resolutions related to investment projects were considered.	The Strategy and Investment Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Strategy and Investment Committee, diligently fulfilled its responsibilities, and unanimously approved the resolutions at the meeting after thorough communication and discussion.	Members Mr. LIU Ruchen, Mr. GAO Lieyang, Mr. MA Chuanjing, and Mr. XIE Guoguang attended the meeting.
30 October 2023	2 resolutions, including the "Resolution in relation to Establishing Tanzania Branch of China Railway Construction Corporation Limited", were considered.	The Strategy and Investment Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Strategy and Investment Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. WANG Lixin, members Mr. LIU Ruchen, Mr. GAO Lieyang, Mr. MA Chuanjing, and Mr. XIE Guoguang attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
1 December 2023	2 resolutions, including the "Resolution in relation to Transferring China Railway Maglev Transportation Investment & Construction Co., Ltd. into the Management Scope of China Railway SIYUAN Survey and Design Group Co., Ltd.", were considered.	The Strategy and Investment Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Strategy and Investment Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. WANG Lixin, members Mr. LIU Ruchen, Mr. GAO Lieyang, Mr. MA Chuanjing, and Mr. XIE Guoguang attended the meeting.

(IV) Remuneration and Evaluation Committee

The main duties of the Remuneration and Evaluation Committee are to formulate and examine the remuneration policies and plans for the directors and senior management members of the Company; to study the evaluation criteria for directors and senior management members of the Company, and to carry out evaluation and make recommendations. The Company has adopted the mode in which the Remuneration and Evaluation Committee makes recommendations on the remuneration for executive directors and senior management members to the Board.

During the Reporting Period, in accordance with the requirements of the Company Law, the Articles of Association, the Terms of Reference for the Remuneration and Evaluation Committee and other relevant laws and regulations, the Remuneration and Evaluation Committee earnestly performed their duties, formulated the remuneration management method and remuneration plans for the directors, the chairman of the Supervisory Committee and senior management members of the Company and proposed suggestions on their particular remuneration to the Board. The Remuneration and Evaluation Committee held a total of 3 meetings during the Reporting Period.

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
28 March 2023	The "Resolution in relation to the Remuneration of Directors and Supervisors in 2022" was considered.	The Remuneration and Evaluation Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Remuneration and Evaluation Committee, diligently fulfilled its responsibilities, and unanimously approved the resolution at the meeting after thorough communication and discussion.	Chairman Mr. MA Chuanjing, members Mr. GAO Lieyang, and Mr. ZHAO Lixin attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
27 April 2023	2 resolutions, including the "Resolution in relation to the Board's 2022 Annual Assessment Results of the President", were considered.	The Remuneration and Evaluation Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Remuneration and Evaluation Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. MA Chuanjing, and member Mr. ZHAO Lixin attended the meeting. Member Mr. GAO Lieyang entrusted Mr. MA Chuanjing in written form to attend the meeting on his behalf.
30 October 2023	The "Resolution in relation to Payment Method of Remuneration of Senior Management of the Company for 2022" was considered.	The Remuneration and Evaluation Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Remuneration and Evaluation Committee, diligently fulfilled its responsibilities, and unanimously approved the resolution at the meeting after thorough communication and discussion.	Chairman Mr. MA Chuanjing, members Mr. GAO Lieyang, and Mr. ZHAO Lixin attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

(V) Audit and Risk Management Committee

The Audit and Risk Management Committee is mainly responsible for making recommendations on the appointment and change of the external auditors of the Company; the supervision of the internal audit system of the Company; the coordination, supervision and inspection of internal and external audits of the Company; the review of financial information and disclosure thereof; the inspection of internal control systems; the formulation of the Company's risk management strategies and solutions, and the risk control, management, supervision and review of major decision-makings, major events and important business procedures; identifying, on behalf of the Board, the Company's major environmental, social and governance risks and opportunities, forming the environmental, social and governance targets, strategies and structure, as well as supervise the implementation of its targets, strategies and structures, paying continuous attentions to the policies related to environment, society and governance, and implementing compliance monitoring.

During the Reporting Period, in accordance with the requirements of the Company Law, the Articles of Association and the Terms of Reference for the Audit and Risk Management Committee and other relevant laws and regulations, the Audit and Risk Management Committee earnestly performed their duties, jointly reviewed the financial and accounting policies, the internal control system, ESG report and relevant financial matters, expressed opinions on the appointment of external auditors and listened to the reports of external auditors on the audit and review of the 2022 annual report and the 2023 interim report to ensure the completeness, fairness and accuracy of the financial statements, reports and other relevant data, and established and improved a complete and effective internal control system. The Audit and Risk Management Committee held a total of 8 meetings during the Reporting Period.

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
12 January 2023	The "Resolution in relation to the 2023 Annual Audit Work Thoughts and Audit Work Plan of the Company" was considered.	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, and unanimously approved the resolution at the meeting after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. GAO Lieyang, Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
10 March 2023	Listened to the report of Deloitte Touche Tohmatsu Certified Public Accountants on the audit of the 2022 Annual Report of the Company	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, affirmed the progress of Deloitte's work, and approved the subsequent work plan and arrangement after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. MA Chuanjing, and Mr. TSIN Wai Lun Kenneth attended the meeting. Member Mr. GAO Lieyang and Mr. ZHAO Lixin entrusted other directors in written form to attend the meeting on their behalf.
28 March 2023	8 resolutions, including the "Resolution in relation to the 2022 Annual Report of the Company and Its Abstract", were considered.	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. GAO Lieyang, Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting.
27 April 2023	4 resolutions, including the "Resolution in relation to the Company's First Quarterly Report for 2023", were considered.	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting. Member Mr. GAO Lieyang entrusted Mr. XIE Guoguang in written form to attend the meeting on his behalf.

Section V Corporate Governance (Corporate Governance Report) (continued)

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
5 July 2023	Communicated with Deloitte about the Company's financial report review plan for the first half of 2023.	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, affirmed the progress of Deloitte's work, and approved the subsequent work plan and arrangement after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. GAO Lieyang, Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting.
29 August 2023	5 resolutions, including the "Resolution in relation to the 2023 Semi-annual Report of the Company and Its Abstract", were considered.	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. GAO Lieyang, Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

Date of meeting	Content of meeting	Important comments and suggestions	Other performance of duties
30 October 2023	4 resolutions, including the "Resolution in relation to the Company's Third Quarterly Report for 2023", were considered.	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, and unanimously approved all the resolutions after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. GAO Lieyang, Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting.
29 December 2023	Listened to the report of Deloitte Touche Tohmatsu Certified Public Accountants on the audit of the 2023 Annual Report of the Company	The Audit and Risk Management Committee conducted its work in strict accordance with the Company Law, the regulatory rules of the CSRC, the Articles of Association, the Rules of Procedure of the Board and the Terms of Reference of the Audit and Risk Management Committee, diligently fulfilled its responsibilities, affirmed the progress of Deloitte's work, and approved the subsequent work plan and arrangement after thorough communication and discussion.	Chairman Mr. XIE Guoguang, members Mr. GAO Lieyang, Mr. MA Chuanjing, Mr. ZHAO Lixin, and Mr. TSIN Wai Lun Kenneth attended the meeting.

(VI) The particular conditions of the objection

Applicable Not Applicable

Section V Corporate Governance (Corporate Governance Report) (continued)

XII. CORPORATE CULTURE (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG STOCK EXCHANGE LISTING RULES)

During its 75-year development history, CRCC has generated a corporate culture with the Railway Corps as the core. In 2023, CRCC released the “First Batch of Ten Great Spirits of CRCC”, which are rooted in the magnificent spirit of Railway Corps, offering a vivid interpretation of CRCC’s profound culture.

Spirit of Railway Corps	Carving roads through mountains, building bridges across rivers
Spirit of scaling heights	Firm belief, courage to climb
Spirit of Litang-Zhanjiang Railway	Commanding from the front, treating the site as the battlefield
Spirit of Chengdu-Kunming Railway	Loyalty to the motherland, brave in the face of difficulties, self-reliance and self-improvement, selfless dedication
Spirit of Tanzania-Zambia Railway	Shared development, common destiny, boundless love, courage to take responsibility
Spirit of diverting the water from Luan River	The great idea of bringing benefits to the people, the revolutionary fighting spirit of perseverance, the serious scientific attitude, the enterprising spirit of innovation, the noble style of unity and cooperation, the prompt and decisive work style
Spirit of transformation from military to civilian	Following the commands of the Party, daring to explore and experiment
Spirit of Beijing-Kowloon Railway	Revitalizing China, putting the people first, bearing responsibilities with awareness, fulfilling the mission with honour
Spirit of Qinghai-Tibet Railway	Challenging limits, striving for excellence
Spirit of high-speed railway construction	Independent innovation, courage to transcend

The release of the “First Batch of Ten Great Spirits of CRCC” is a powerful measure taken by CRCC to concentrate momentum with culture and lead development with culture. These ten spirits provided a solid ideological guarantee, powerful spiritual strength, and rich moral nourishment for the company development, and provided sustainable cultural influence and driving force for building the most trustworthy world-class comprehensive construction industry group.

XIII. EXPLANATION ON THE SUPERVISORY COMMITTEE FINDING RISKS IN THE COMPANY

Applicable Not Applicable

The Supervisory Committee has no objection to the supervision matters during the Reporting Period.

Section V Corporate Governance (Corporate Governance Report) (continued)

XIV. EMPLOYEES OF THE PARENT AND THE MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of existing employees of the parent	347
Number of existing employees of major subsidiaries	267,240
Total number of existing employees	267,587
Number of the resigned and retired staff whose expenses need to be borne by the parent company and its major subsidiaries	0

Category of professionals	Professional composition	Number of employees
Production personnel		88,237
Sales personnel		15,673
Technical personnel		92,186
Financial personnel		19,087
Administrative personnel		52,404
Total		267,587

Category of educational level	Educational level	Number (person)
Postgraduate and above		16,306
Undergraduate degree		183,913
College degree		35,326
Secondary education		13,518
High school or below		18,524
Total		267,587

Section V Corporate Governance (Corporate Governance Report) (continued)

(II) Remuneration policy

Applicable Not Applicable

The Company implements a remuneration policy with remuneration budget management, and links between remuneration and performance based on the principle of “the better performance, the higher remuneration”. The total wages are controlled by three links: benefit determination, efficiency adjustment, and level regulation. That is, the growth of total wages is linked to the increase in the economic benefits of the enterprise, while moderately adjusting the efficiency level of the industry benchmark, and taking into account the fairness of income distribution to carry out horizontal regulation. And remuneration of employees is determined based on efficiency of the enterprises and that of each individual.

The remuneration of the employees includes wages, performance bonus and allowance. The employees of the Company are also entitled to pension, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing funds as well as other benefits.

(III) Training Plan

Applicable Not Applicable

In 2023, the Company’s training work was based on the “14th Five-Year Plan” for Human Resources Planning, closely around the development strategy of the enterprise. It emphasized the importance of employee education and training as an important way for human resource development, established a long-term training mechanism, and effectively implemented various tasks related to employee education and training. According to the annual training work plan, the Company adhered to the principles of “classification and grading, training as much as necessary, and precise adjustment of training”, adopted a combination of online and offline methods, increased the intensity of employee training, and further improved the employee training rate. The training rate for senior management and middle-level management personnel reached 100%, and the training rate for general employees reached more than 95%, with an average study time of more than 90 hours. Throughout the year, the Company had a total of 1,263,596 attendances in the trainings, including 369,161 offline attendances and 894,435 online attendances. Among them, the attendances reached 23,142 in training enterprise leaders, 134,505 in training operation management personnel, 849,876 in training professional and technical personnel, 50,587 in training party and mass management personnel, and 205,486 in training skilled personnel. Firstly, we conducted extensive education and training on Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th National Congress of the Communist Party of China. There were a total of over 100,000 attendances in the training, including 11 members of the Company’s leadership team, 632 cadres managed by the Company’s party committee, 10,135 heads of internal departments and leaders of second-tier and third-tier units, and nearly 90,000 attendances of party members and cadres at all levels. Secondly, we organised training classes for leaders at various levels. Training programs for second-tier and third-tier enterprise leaders were held at the Party School of the Central Committee of the CPC (National Academy of Governance), China Executive Leadership Academy Pudong, China Business Executives Academy Dalian, and Party School of China Railway Construction Group. These programs focused on strengthening the party spirit education of leaders, strategic thinking and leadership skills for young cadres,

Section V Corporate Governance (Corporate Governance Report) (continued)

and improving the ability and quality of outstanding young cadres. Thirdly, we strengthened the training for young backbone talents. Together with the Youth League Committee and Party School of the Company, we organised a demonstration training program for young talents and young Marxists in 2023. A total of 43 outstanding young party members aged 35 and below participated in the one-year training program. Fourthly, the Company organised training for new university graduates who joined the Company in 2023, and organised online training for 15,000 newly hired graduates. Fifthly, we conducted training for overseas talents. In accordance with the requirements of building a multi-lingual, multi-level, and broad-coverage overseas talent training system, we organised two overseas senior management training sessions using a combination of online and offline methods, training over 60 individuals. Additionally, online training was conducted in five languages and two levels (basic and advanced levels), with a total of 378 participants. Lastly, we organised training for professional and technical personnel. We successively organised workshops on talent development, training classes for engineering budget officers, training classes for on-site professionals in the field of housing and urban-rural development, continuing education for registered constructors, training classes on BIM application technology, training classes for operators of shield machines and special equipment, and training classes for drone pilots. These trainings aimed to improve the quality and operational skills of various skilled professionals, so as to meet the production and operation needs of the Company.

(IV) Labour outsourcing

Applicable Not Applicable

Section V Corporate Governance (Corporate Governance Report) (continued)

XV. PROFIT DISTRIBUTION PLAN OR RESERVE-TO-EQUITY

(I) The profit distribution policies of the Company (disclosure pursuant to the requirements of the Hong Kong Stock Exchange Listing Rules)

1. The basic principles of the profit distribution policies of the Company

The Company shall take full account of the return to investors and distribute dividends to shareholders on a yearly basis in a specific proportion out of the distributable profit realised for the year as set out in that year's consolidated financial statements. The profit distribution policies of the Company shall maintain continuity and stability while giving consideration to the interests of the Company in the long term, the interests of all shareholders as a whole, and the sustainable development of the Company. The Company shall distribute its profit by way of cash dividends as priority.

2. The specific profit distribution policies of the Company

(1) *Form of profit distribution*

The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. Under favourable circumstances, the Company may distribute interim dividends.

(2) *Specific conditions, proportions and intervals of cash dividends of the Company*

In the absence of certain special circumstances, if the Company's profit for the year and its total undistributed profit is positive, the Company shall distribute dividends in cash and such profit to be distributed in cash on a yearly basis must not be less than 15% of the distributable profit to ordinary shareholders realised for the year as set out in that year's consolidated financial statements.

Such special circumstances refer to the following: a. where the audit firm issues a non-standard unqualified audit report for the financial report of the Company for that financial year; and b. where the Company has major investment plan or significant cash expenditure, excluding projects funded by raised proceeds.

Such major investment plan or significant cash expenditure refers to the external investment and asset acquisition by the Company with accumulated expenditure within the following 12 months amounting to or exceeding 30% of the latest audited net assets.

When the aforesaid conditions of cash distribution are met, cash dividends shall be distributed once a year in principle. And the Board of Directors of the Company can propose a distribution of interim cash dividends according to the Company's situation of profitability and capital needs.

Section V Corporate Governance (Corporate Governance Report) (continued)

(3) *Specific conditions for distributing dividends in shares by the Company*

When the Company is operating well and the Board considers that the share price of the Company does not reflect its scale of share capital and the distribution of dividends in shares is in the interests of all shareholders of the Company, the Company may propose the distribution plan of dividends in shares upon fulfilment of the above conditions concerning cash dividends.

(II) **Formulation, implementation or adjustment of the cash dividend policy**

Applicable Not Applicable

1. Details of implementation of the cash dividend policy during the Reporting Period

It was resolved at the 16th meeting of the fifth session of the Board convened by the Company on 29 and 30 March 2023 that a cash dividend of RMB3,802.272 million in total for 2023, i.e., RMB2.80 (tax inclusive) for every 10 shares based on the total share capital of 13,579,541,500 shares as at 31 December 2022 was declared. The profit distribution plan had been considered and passed at the 2022 annual general meeting convened on 28 June 2023. The distribution of the above cash dividend was completed on 2 August 2023 and 25 August 2023, respectively.

2. Formulation, implementation or adjustment of the cash dividend policy

During the Reporting Period, while maintaining the sustainable and stable development, the Company highly valued reasonable investment return to its shareholders. According to relevant regulations by the CSRC, the Articles of Association made clear the approval procedure for the cash dividend distribution policy and profit distribution policy. The Company's profit distribution policy is consistent with the Articles of Association and review process requirements. The standard and proportion of dividend are clear, and relevant decision-making mechanism and procedures are complete. The independent directors of the Company fulfilled their responsibilities with due diligence, carefully audited the cash dividend policy and issued independent advice. The Company has adopted a number of ways for the small and medium-sized shareholders to fully express their views and demands, fully safeguarded the legitimate rights and interests of minority shareholders.

In order to facilitate investors to have more comprehensive and further understanding of cash dividend distribution for 2022, the Company held an online presentation on 6 April 2023, with the investors' corresponding issues hereof under common concern answered. On 28 June 2023, through the combination of on-site open and online voting, the Company considered and adopted the Proposal Regarding 2022 Annual Profit Distribution Plan at the 2022 Annual General Meeting.

Section V Corporate Governance (Corporate Governance Report) (continued)

3. Explanation on profit distribution plan for 2023

(1) *The 2023 profit distribution plan approved by the Board*

According to the audited financial report of the Company for the year 2023, the undistributed profit of the Company at the beginning of 2023 was RMB39,435.876 million. After adding the net profit realised by the parent company of RMB11,679.665 million in this year and deducting the cash dividends for the year 2022 of RMB3,802.272 million and distribution of the interest of holders of other equity instruments amounting to RMB2,547.999 million for the year 2023, the distributable profit of the parent company at the end of the year was RMB44,765.270 million. According to the Company Law and the Articles of Association of the Company, a cash dividend of RMB4,752.840 million in total, i.e. RMB3.50 for every 10 shares (tax inclusive) will be distributed, based on the total issued share capital of 13,579,541,500 shares as at 31 December 2023, accounting for 20.18% of the distributable profits attributable to ordinary shareholders of the listed company in the consolidated statements of the year. Upon such distribution, the undistributed profit of the parent company amounting to RMB40,012.430 million will be carried forward to the next year. If there are changes in the total share capital of the Company before the equity registration date for the implementation of the equity distribution, the Company proposed to keep the total allocation unchanged and adjust the allocation ratio per share accordingly.

(2) *The time arrangement of the profit distribution plan for 2023*

The profit distribution plan for 2023 of the Company is subject to consideration and approval at the 2023 Annual General Meeting. The above proposed dividend is expected to be paid to the shareholders of the Company on or before 31 August 2024 after such profit distribution plan is considered and approved at the 2023 Annual General Meeting (the date of which has not been determined but will be announced by the Company in due course). If there is any change in the expected payment date, the Company will make further announcement(s) in respect of such change in due course.

Section V Corporate Governance (Corporate Governance Report) (continued)

(3) *Statement of the Board on the profit distribution plan for 2023*

From the perspective of macro environment, the construction industry is a fully competitive industry with intense market competition and generally low gross profit margins, and the projects undertaken are characterised by large-sized single buildings and long production cycles, which require a large amount of funds for daily business operations. In terms of industry trends, with the deepening implementation of strategies such as high-quality joint construction of the “Belt and Road”, the overseas market is vast and promising. The new infrastructure areas represented by strategic emerging industry and “Eastern Data, Western Computing (東數西算)” will become the new support for the development of the industry.

From the perspective of the current development of the Group, the Company actively integrates into national strategies and adheres to high-quality development as its top priority. In 2023, the Company achieved record highs in both newly signed contracts and operating income. The Company activated its innovative energy and continued to make efforts in both strategic emerging industries and traditional industries to vigorously build a modern industrial system and accelerate the construction of a world-class enterprise.

From the perspective of the Company’s capital need, it mainly includes capital investment in various business operations and capital investment in capital projects. To ensure the Company’s sustainable, healthy, and stable development, it needs to accumulate appropriate retained earnings to pursue higher quality returns.

From the perspective of retained earnings, a portion of the net earnings earned by the enterprise is used for distribution to investors, and the other part is used for enterprise accumulation. The retained earnings accumulated by the company over the years still belong to all investors. Properly handling the relationship between distribution and accumulation, retaining a portion of the net income for future distribution needs, smoothing out fluctuations in income distribution, is conducive to ensuring a sustained and stable dividend policy. In recent years, CRCC’s dividend payout ratio has been maintained at over 15%, and the dividends have been steadily increasing, maintaining a stable level of dividend payout.

Section V Corporate Governance (Corporate Governance Report) (continued)

(III) Special explanation of cash dividend policy

Applicable Not Applicable

Whether it complies with the provisions of the Company's Articles of Association or the requirements of the resolution of the general meeting of shareholders	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Whether the dividend standard and ratio are specific and clear	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Whether the independent directors performed their duties and played their due role	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

(IV) Profits are made during the Reporting Period and the parent company's profits distributed to ordinary shareholders are positive. However, if the resolution on distribution of cash profit of ordinary shares is unavailable, the Company shall disclose in detail the causes thereof as well as purpose and use plan of the undistributed profit

Applicable Not Applicable

(V) Resolutions of the Board of Directors on the distribution of profits and resolutions on capitalisation of capital reserves for the current Reporting Period

Applicable Not Applicable

Unit: '000 Currency: RMB

Number of bonus shares for every 10 shares	–
Amount of dividend (RMB) for every 10 shares (tax included)	3.50
Number of shares reversed to equity for every 10 shares	–
Amount of cash dividend (tax included)	4,752,840
Net profit attributable to common shareholders of the listed company in the consolidated statements in the year of profit distribution	23,548,972
Ratio in the net profit attributable to common shareholders of the listed Company in the consolidated statement (%)	20.18
Amount of shares repurchased in form of cash and accounted into cash dividend	–
Total amount of cash dividend (tax included)	4,752,840
Ratio of total amount of dividend in the net profit attributable to common shareholders of the listed company in the consolidated statements (%)	20.18

Section V Corporate Governance (Corporate Governance Report) (continued)

XVI. INFORMATION ABOUT THE COMPANY'S SHARE INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

(I) Related incentives which were disclosed in the temporary announcements but without progress or change in consecutive operation

Applicable Not Applicable

(II) Incentives which were not disclosed in the temporary announcements or with subsequent progress

Information on share incentive

Applicable Not Applicable

Other explanation

Applicable Not Applicable

Information on employee stock ownership plan

Applicable Not Applicable

Other incentive measures

Applicable Not Applicable

(III) The equity incentives granted to the directors and senior management during the Reporting Period

Applicable Not Applicable

(IV) The establishment and implementation of the evaluation mechanism and incentive mechanism for senior management members during the Reporting Period

Applicable Not Applicable

In accordance with the provisions of the Company's performance evaluation method and remuneration management method for senior management members and according to the annual performance evaluation plans for senior management members of the Company considered and determined at the Board meeting, the Remuneration and Evaluation Committee of the Board implemented the evaluation for senior management members, of which the results were submitted to Board for consideration and approval and then served as the main basis for the remuneration incentives for senior management members. The Remuneration and Evaluation Committee of the Board formulated the resolution on the remuneration of senior management members and materialized the annual performance remuneration for senior management members after consideration of the resolution by the Board.

Section V Corporate Governance (Corporate Governance Report) (continued)

XVII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

Applicable Not Applicable

CRCC has always attached great importance to the construction and implementation of the internal control system. During the Reporting Period, following efforts were made: Firstly, we further improved the supporting systems and measures related to risk internal control, refined the construction objectives, operation objectives, and capacity building objectives of the “big risk control” system, and clarified the working mechanism and implementation path. We compiled and issued the “Major Risk Management Measures” to define and establish the criteria for identifying major risks; strengthened the management responsibilities of risk management committees and various business departments at all levels, emphasized early identification, early warning, and early disposal of major risks; established a tracking, control, and reporting mechanism for major risks involving risk management committees at all levels, affiliated units, and primary responsible departments; attached importance to summing up and applying experience and achievements, optimized the assessment and accountability mechanisms, and clearly incorporated the management of major risks into the performance evaluation of subsidiary leaders. Secondly, we organised the entire system to conduct major risk screenings, strengthened the screening, assessment, tracking and control of major risks at all levels and in all areas, gradually improved the management database for red lines at all levels, and established a normalized control mechanism for major risks. Thirdly, we compiled and issued the “Work Plan for Internal Control System Supervision and Evaluation from 2023 to 2025”, stipulating that all legal entities in the system should carry out internal control supervision and evaluation work level by level in accordance with the “three-year full coverage” requirement, to accurately identify and reveal the risks, compliance issues, and internal control defects faced in the Company’s operational development.

CRCC found no major defects in internal control during the Reporting Period, and has basically established and improved a reasonable internal control system in accordance with the relevant requirements of the “Basic Norms for Enterprise Internal Control”. And the internal control system established has been implemented effectively at all levels and in all aspects of the Company’s business activities, with good overall operation and generally effective internal control.

Description on major defects in the internal control during the Reporting Period

Applicable Not Applicable

XVIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

Applicable Not Applicable

During the Reporting Period, CRCC comprehensively implemented lean management in terms of organisation, operation, and projects. It has built a basic management system that is oriented towards value creation, focused on management improvement, and aimed at improving its development quality and efficiency. The Company accurately define and leveraged the functional positioning of its corporate headquarters, regional headquarters, group companies, regional headquarters of group companies, and three-tier companies, improved the domestic “1+N” main position list-based management mechanism, and established an organisational control system which is comprehensive in structure, clear in rights and responsibilities, scientific in regulation, and orderly in operation, to enhance the management efficiency and value creation capabilities.

Section V Corporate Governance (Corporate Governance Report) (continued)

XIX. RELEVANT ISSUE ON AUDIT REPORT ON INTERNAL CONTROL

Applicable Not Applicable

Deloitte Touche Tohmatsu CPA LLP was appointed by the Company to audit the effectiveness of our internal control for the year ended 31 December 2023, and issued an internal audit report with a standard unqualified audit opinion. Deloitte Touche Tohmatsu CPA LLP was of the view that, the Company maintained an efficient internal control on financial reporting at all material aspects according to Basic Standards for Corporate Internal Control and relevant requirements.

For the full text of the “Audit Report on Internal Control of the Company”, please refer to the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

Whether the audit report on internal control is disclosed: Yes

Type of opinion on the audit report on internal control: Standard unqualified opinion

XX. RECTIFICATION OF SELF-CHECKED ISSUES IN SPECIAL ACTIONS ON GOVERNANCE OF LISTED COMPANIES

Applicable Not Applicable

XXI. OTHERS

Applicable Not Applicable

(I) Participation in trainings by directors during Reporting Period

The Company encourages directors to actively participate in various professional trainings, aiming to continuously enhance their ability to perform their duties and contribute to the performance of the Board. In 2023, Mr. WANG Lixin participated in 2 trainings, Mr. NI Zhen participated in 3 trainings, Mr. GAO Lieyang participated in 4 trainings, Mr. MA Chuanjing participated in 4 trainings, Mr. ZHAO Lixin participated in 2 trainings, Mr. XIE Guoguang participated in 3 trainings, and Mr. TSIN Wai Lun Kenneth participated in 1 training. Mr. WANG Jianping participated in 3 trainings, Mr. ZHUANG Shangbiao participated in 2 trainings, Mr. CHEN Dayang participated in 1 training, and Mr. LIU Ruchen participated in 3 trainings.

(II) Directors' responsibilities related to financial report

The directors shall bear responsibility to supervise the preparation of financial reports. In terms of the annual financial statements for the year ended 31 December 2023, the Board has selected and used appropriate accounting policies to make prudent and reasonable judgments and estimates, in order to truly and fairly reflect the financial conditions, performance and cash flows of the Group during the financial year.

The statement of reporting responsibilities of the Company's auditors has been contained in the “Audit Report” under “Section XI Financial Report” in this report.

Section V Corporate Governance (Corporate Governance Report) (continued)

(III) Securities transactions of directors, supervisors and relevant employees

The Board has adopted the Model Code as the guidance for the securities transactions of directors, supervisors and relevant employees of the Company. After individual inquiry by the Company, all directors, supervisors and relevant employees (as defined in the Model Code) have confirmed that they have acted in compliance with the required standards set out in the guidance.

(IV) Company secretary

During the Reporting Period, the secretary of the Board and the Joint Company Secretaries of the Company had respectively completed relevant professional training of not less than 15 hours.

(V) Employee gender diversity

The Company strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other relevant laws and regulations, to regulate the employment practices and protect the legitimate rights and interests of its employees. The Company always follows the principle of equal employment and adheres to a policy of equal pay for equal work and non-discrimination in labour employment. It provides equal employment opportunities for employees of different nationalities, races, genders, ages, religious beliefs, and cultural backgrounds. As at the end of the Reporting Period, the ratio of male employees to female employees (including senior management) of the Company was 3.6:1. The Company will continue to implement measures that support employee diversity during recruitment.

(VI) Amendments to the Articles of Association during the Reporting Period

During the Reporting Period, the Company did not amend its Articles of Association.

(VII) Remuneration of auditors

For relevant information on the remuneration of auditors, please refer to "VII. Appointment and removal of auditors" of "Section VII Significant Events" in this report.

(VIII) Dividend distribution policy of the Company

For details, please refer to "XV. Profit distribution plan or reserve-to-equity" in this Section.

Section VI Environmental and Social Responsibility

I. ENVIRONMENTAL INFORMATION

Whether environmental protection mechanism was established Yes

Environmental protection fund input during the Reporting Period (RMB'00,000,000) 36.666

(I) Explanation on environmental protection of companies and their significant subsidiaries classified as the key pollutant discharging units announced by the environmental protection department

Applicable Not Applicable

(II) Environmental issues of companies other than those classified as the key pollutant discharging units

Applicable Not Applicable

1. Administrative penalties due to environmental issues

Applicable Not Applicable

During the Reporting Period, a total of 63 projects of CRCC were punished by relevant local authorities for dust, noise and sewage discharge during construction, with a total fine of approximately RMB7,792,900. The relevant entities of each project site have paid the fine in full and made timely rectification and inspection. The above violations did not result in serious environmental pollution, casualties or social impact, and did not constitute major violations of environmental protection laws and regulations. The relevant penalties did not have material adverse impact on the normal production and operation of the Company.

2. Disclosure of other environmental information with reference to the key pollutant discharging units

Applicable Not Applicable

In the process of production and operation, CRCC resolutely implements the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and other laws and regulations, strictly abides by the national environmental protection policies, pays attention to source control, and always implements the environmental protection management concept of "reasonable energy consumption and green construction". It conscientiously fulfils and undertakes the social responsibility for environmental protection, strengthens the concept of green development, and strives to achieve the goal of "resource-saving and environment-friendly" enterprise, so as to promote the enterprise to achieve high-quality sustainable development and contribute to the construction of national ecological civilisation. The major emissions of the Group in the course of business are CO₂ and non-hazardous construction wastes. The Group was listed in companies other than those classified as the key pollutant discharging units in China as it seldom produces hazardous wastes, oxynitride and oxysulfide due to the nature of the industry.

Section VI Environmental and Social Responsibility (continued)

3. Reasons for non-disclosure of other environmental information

Applicable Not Applicable

(III) Relevant information that contributes to ecology protection, pollution prevention, and fulfilment of environmental responsibility

Applicable Not Applicable

CRCC practices the “Eco-friendly CRCC, Green Development” concept, adheres to the principle of “staying away from the red line, keeping the bottom line and creating highlights”, and promotes high-quality and sustainable development of the enterprise. In line with the new era, new trend and new requirements, the Company formulated, in accordance with the national laws and regulations for energy conservation and ecological environmental protection, the “Administrative Measures for Energy Conservation and Ecological Environmental Protection” and the “Implementing Rules for Assessment and Evaluation of Environmental Protection Targets and Indicators for Engineering Projects”, continued to identify ecological risks and hidden dangers, and reinforced the supervision management system for energy conservation and environmental protection. It promoted “energy saving, land saving, water saving, material saving and environmental protection” at project sites and the construction of standardised project sites up to the six-100% criteria. It practically performed the entity responsibility for energy conservation and environmental protection, and made efforts to establish a resource-saving and environmental friendly enterprise.

(IV) Measures taken to reduce its carbon emissions during the Reporting Period and their effects

Whether carbon reduction measures were adopted	Yes
Reduction of CO ₂ e (<i>unit: tonne</i>)	/
Type of carbon reduction measures (such as use of clean energy for power generation, use of carbon reduction technology in production, and development and production of new products that help reduce carbon emission)	Use of clean energy such as PV power and wind power; use of low-carbon technologies in production; development and production of purely electric digging, loading and transporting equipment; implementation of green and low-carbon project construction, etc.

Section VI Environmental and Social Responsibility (continued)

Specific Explanation

Applicable Not Applicable

CRCC thoroughly exercises Xi Jinping thought on ecological civilisation, entering a new stage of development, applying a new development philosophy, and building a new development dynamic, adheres to the overarching principle of “top-level design, coordinated development, conservation first, and progress in an orderly manner”, and promotes carbon peaking and carbon neutrality actively and steadily. In order to achieve the energy consumption and CO2 reduction targets for the 14th Five-year Plan period, CRCC implemented “dual control” management with a series of control measures. First, it strengthened organisational leadership and institutional construction, worked out its carbon peaking action plan, proposed “123456” green and low-carbon development strategy, and specified the goal of carbon peaking before 2030. Second, it actively adjusted the structure of energy use to reduce the consumption of energy with high carbon dioxide content. Third, it actively used clean energy and implemented cleaner production strategy. Fourthly, it accelerated the elimination of backward production capacity and process and purchased energy-saving and advanced equipment. Fifth, it continued to optimise the construction plans, carried out technological innovation, and promoted the “Four New” results to save energy and reduce emissions and energy consumption. Sixth, it strengthened the management of materials and equipment, improved the service efficiency of turnover materials, promoted the recycling of resources, and reduced equipment vacancy rate and energy consumption. Seventh, it enhanced publicity and education, and actively participated in “National Energy Conservation Awareness Week and Low Carbon Day” activities.

II. SOCIAL RESPONSIBILITY WORK

(I) Whether to separately disclose social responsibility report, sustainable development report or ESG report

Applicable Not Applicable

The Company actively fulfils its social responsibilities and will disclose the 2023 Social Responsibility Report of CRCC together with the annual report, the full text of which is published on the websites of the Shanghai Stock Exchange (www.sse.com.cn), the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company (www.crcc.cn).

Section VI Environmental and Social Responsibility (continued)

(II) SPECIFIC INFORMATION OF SOCIAL RESPONSIBILITY WORK

Applicable Not Applicable

Donation and public welfare projects

Number/content	Explanation
Gross Investment (<i>RMB '0,000</i>)	4,900.13 /
Including: Fund (<i>RMB '0,000</i>)	4,782.47 /
Amount of materials (<i>RMB '0,000</i>)	117.66 /
Number of people benefited (<i>person</i>)	Not applicable
	Public welfare programs of the Group involved more than 40 cities, districts and counties in China and some foreign regions, so the exact number is unavailable.

Specific explanation

Applicable Not Applicable

Section VI Environmental and Social Responsibility (continued)

III. DETAILS OF CONSOLIDATING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALISATION

Applicable Not Applicable

Poverty alleviation and rural revitalisation programs	Number/content	Explanation
Gross investment (<i>RMB'0,000</i>)	7,918.81	/
Including: Fund (<i>RMB'0,000</i>)	7,884.79	RMB40,698,100 was invested in non-reimbursable assistance and RMB38,149,800 was invested in reimbursable assistance (purchase of agricultural and sideline products from poverty-stricken areas)
Amount of materials (<i>RMB '0,000</i>)	34.02	RMB35,000 was donated to Shangyi County, Zhangjiakou, Hebei Province, RMB300,000 to Wanquan District, Zhangjiakou, and RMB5,200 to other areas
Number of people benefited (<i>person</i>)	About 56,000 people	Including farmers and people in need in Wanquan District and Shangyi County of Hebei Province and Gande County in Guoluo Prefecture of Qinghai Province, which are targeted assistance areas of the Company's headquarters, and those in targeted assistance areas of the Company's subsidiaries
Forms of assistance (such as poverty alleviation through industry, poverty alleviation through employment, and poverty alleviation through education)	Industrial assistance, talent assistance, ecological assistance, cultural assistance, organisational assistance	Industrial assistance: The Company introduced assistance funds of RMB70,706,900, facilitated the sales of agricultural products amounting to RMB4,173,600, introduced 16 assistance programs or enterprises, supported 17 rural cooperatives and assistance workshops, and helped 681 people in employment transfer and absorption.

Section VI Environmental and Social Responsibility (continued)

Poverty alleviation and rural revitalisation programs	Number/content	Explanation
		<p>Talent assistance: The Company sent 48 temporary cadres and trained 1,385 county and village grassroots cadres and technical talents.</p> <p>Ecological assistance: The Company provided assistance in improving rural living environment, rural living facilities, and rural infrastructure, etc.</p> <p>Cultural assistance: The Company built cultural squares and broadcasting halls, provided cultural training, and established new media platforms to explain the rural revitalisation strategy and publicise policies that benefit the people, foster civilised rural atmosphere, good family tradition and simple and honest folk customs, improve the mental outlook of farmers, promote the spirit of the times, and enhance the civilisation of the rural society.</p> <p>Organisational assistance: The Company participated in paired construction of 14 Party branches and 19 poverty-stricken villages, built 11 rural revitalisation demonstration sites, and proactively organised donations among Party members.</p>

Specific explanation

Applicable Not Applicable

Section VI Environmental and Social Responsibility (continued)

IV. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (ESG REPORT)

(1) Environment

1. Climate change

In line with the national carbon peaking and carbon neutrality goals, CRCC has incorporated response to climate change into its strategic planning, risk management and day-to-day business management. It set up a leading group for the carbon peaking and carbon neutrality work headed by two executives of the Company to guide its work in this respect. It also made overall planning for the Company's carbon peaking and carbon neutrality action plan, set carbon emission reduction targets, and systematically carried out risk governance, strategy formulation and information disclosure regarding climate change.

(1) *Climate strategy*

The Company attaches great importance to the potential impact of climate risks. Following the requirements of "One Enterprise, One Strategy", it formulated and issued the "CRCC Carbon Peaking Action Plan", which specifies the "123456" green and low-carbon development strategy and the priorities in ten aspects including industrial layout, resource conservation, low-carbon technology and carbon sequestration capacity, to promote carbon peaking through the "four major projects". The Audit and Risk Management Committee monitors climate-related risks on a regular basis to ensure normal and effective operations of the Company's risk management and internal control systems.

(2) *Climate action*

The Company set the goal of "lowering CO₂ emissions by 18% by the end of 2025" for the 14th Five-year Plan period, and has actively taken the following actions:

- **Building a carbon chain platform:** CRCC established China Carbon Infrastructure Company Limited, the first company with "China Carbon" in its name, which co-launched China's first standard carbon chain platform with functions including standard certification, production & procurement and financial support, marking a key step in the "RMB100 billion Green Steel" innovation project for synergistic carbon emission reduction in the construction industry chain. The platform aims to achieve around 25 million tonnes of steel trading volume (amounting to about RMB100 billion), which could reduce CO₂ emission by 2.5 million tonnes, during the 14th Five-year Plan period, and to lead green-oriented development of all stakeholders on the industry chain.

Section VI Environmental and Social Responsibility (continued)

- **Deepening “dual carbon” research:** Qionghai Boao Bohe Carbon Neutrality Institute co-founded by the Group was unveiled and released ten zero carbon building technologies. Based in the zero-carbon demonstration zone in Boao, the institute will research and promote zero-carbon building transformation and construction technologies, explore practical paths for zero-carbon building, and provide technical consulting, exchange and results transfer services related to zero-carbon building.
- **Developing environmental protection business:** Following the “encouraged by the state, in the principal business, and within the capability” principle, CRCC carried out project investment, construction and operation in watershed management, integrated water environment management, recycling of construction waste, pumped storage, offshore wind power, PV power, and sewage treatment according to major national strategies for eco-environmental protection and regional ecological targets, to lead green upgrading of infrastructure, create an industrial ecosystem, and make environmental business a new growth source of the Company. During the Reporting Period, the Company had 30 wind power projects with a gross installation of 520,565 MW, and 55 PV power projects with a total installation of 4,592.7 MW, making clean energy a strong support of building a beautiful China.

During the Reporting Period, the Company’s exchange and exhibition centre in Xiong’an section of Hebei Free Trade Pilot Zone became one of the first zero-carbon demonstration building in Xiong’an New Area after expert review. China Railway Electromechanical Company won “2023 Hainan Energy Conservation and Carbon Reduction Contribution Award” at the 2nd Hainan Free Trade Port “Dual Carbon” Exchange Conference. The design company affiliated to China Railway 20th Bureau Group won “Fastest Growing Enterprise” and “Innovative Enterprise” awards in the field of carbon neutrality.

2. Environmental management

CRCC has steadily advanced eco-environmental protection, and green and low-carbon development according to the principle of “staying away from the red line, keeping the bottom line and creating highlights”.

Section VI Environmental and Social Responsibility (continued)

(1) Construction of the management system

The Company always adheres to the Environmental Protection Law of the People's Republic of China and other related laws and regulations, and the environmental protection policy of "people-oriented, honest, law-abiding, harmonious coexistence with nature, and building fine projects" in its implementation of the annual environmental protection targets to guarantee the attainment of the energy conservation and emission reduction goals for 2023 established by the SASAC. During the Reporting Period, the Company had 14 projects receiving state-level green building certification.

Indicator	Unit	2023
Total investment in environmental protection	RMB'0,000	366,660.160
Percentage in operating revenue	%	0.32

(2) Risk response management

The Company strengthened process control of eco-environmental risks for projects under construction. It implemented the "red line" management principle to strictly control the energy saving and environmental risks of its projects, and vigorously promoted "energy saving, land saving, water saving, material saving and environmental protection" at project sites and the construction of standardised project sites up to the six-100% criteria. In addition, the Company cooperated with the central inspection on eco-environmental inspection with all efforts. It issued notices in time, clarified the priorities related to the inspection, and carried out regional extensive investigation to prevent and dissolve hidden problems.

(3) Environmental education and training

The Company launched environmental training and education activities during National Energy Efficiency Promotion Week, National Low-carbon Day and World Environment Day. For instance, the Company participated in the "SASAC 2023 National Energy Efficiency Promotion Week SOE Promotion Conference"; the new energy branch of CRCC Harbour & Channel Engineering Bureau Group carried out an energy conservation and emission reduction publicity campaign; CRCC Plaza in Tianjin offered "Zero-waste Mall" energy saving and environmental protection training to the tenants. During the Reporting Period, the Company's environmental training covered 348,587 people.

Section VI Environmental and Social Responsibility (continued)

3. Resource management

Under the general principle of “top-level design, coordinated development, conservation first, and progress in an orderly manner”, CRCC advanced green, information-based and intelligent construction, actively promoted new technologies and processes, and enhanced its green development index and green efficiency, with a view to building a “resource-saving and environment-friendly” enterprise. Given the industry nature, the Company does not use or consume packaging materials, so relevant key performance indicators are not applicable to the Company.

(1) *Water resource management*

The Company mainly consumes municipal water and a small amount of river water for dust settling and cement mixing. It values water resource management and continuously improves it to increase the water efficiency. It set a water consumption goal of 315,232,000 cubic meters for the Reporting Period, and its actual consumption was 298,433,600 cubic meters, with a water consumption intensity of 270.7 tonnes per million revenue.

In water consumption management, CRCC strengthened water resource protection and management. During construction, it enhanced water source protection, intensified water-saving measures, installed and used water-saving equipment and temporary rainwater collection, construction water, and sewage treatment systems, collected and used surface and foundation pit groundwater. It promoted water recycling and set infrared sensors for water facilities to prevent water leakage and running. For example, the “CRCC Nanguo Tianjiao” project of China Railway 20th Bureau Group’s real estate company built a “Sponge City” system with pervious paving, rain garden and siphon drainage technologies, realizing the collection, purification and reutilisation of rainwater. Kangyuan company of China Railway Electrification Bureau Group launched an unpowered circulating water tower improvement project and has saved about 200,000 tonnes of water.

Section VI Environmental and Social Responsibility (continued)

In wastewater management, CRCC strictly conformed to the Water Pollution Prevention and Control Law of the People's Republic of China and other related laws and regulations. It carried out a screening of water pollution risk sources with emphasis on up-to-standard discharge of construction and domestic sewage, and checked whether projects under construction installed and used sewage treatment facilities to collect and treat wastewater and sewage separately according to requirements. Wastewater and sewage discharged to the municipal network were pre-treated and discharged as required. Wastewater discharged to water bodies was up-to-standard, and the location of sewage outfalls met national requirements. The Company had no construction or production activities that may pollute water bodies in drinking water source protection areas and other special water bodies. Slurry from bridge pile works, and sewage from tunnel works, mixing stations and girder fields were processed by settling tanks provided according to requirements, and discharged after passing inspection. Sanitary sewage was collected in septic tanks and treated by professionals. During the construction of engineering projects, the Company took protective measures for river, lake and other water bodies nearby, and ensured up-to-standard emission with screening and management measures. For instance, Chengmian Cangba project of China Railway 23rd Bureau Group Co., Ltd. built a production wastewater recycling system. A rainwater and sewage separation system was set in the plant area, collecting sewage to a multi-stage settling tank and recycling it according to standards. Zhangguizhuang sewage plant (Phase I) set an automatic sampling pump at the sewage outfall. Water samples were regularly pumped and sent to the online monitoring system which sent the monitoring data to water affairs and environmental protection authorities. The sewage plant realised up-to-standard discharge throughout the year.

(2) *Energy management*

The Company, in strict compliance with relevant laws, regulations, policies, and standards such as the Energy Conservation Law of the People's Republic of China and the Regulations on Energy Conservation for Public Institutions, revised the "Supervision and Management Measures for Energy Conservation and Ecological Environmental Protection of China Railway Construction Corporation Limited" to clarify that all affiliated entities must establish a leadership system for energy conservation and environmental protection, establish a management department for energy conservation and environmental protection, and assign full-time or part-time management personnel. At the same time, the Company focused on strengthening the assessment of energy conservation and environmental protection indicators, and incorporated energy conservation, emission reduction, and environmental protection indicators, as "special control indicators", into the performance evaluation of the primary leaders at all levels.

With the established goals of the "14th Five-Year Plan" to "reduce the comprehensive energy consumption per RMB10,000 operating income by 14% and carbon dioxide emissions by 18% by the end of 2025", the Company implemented a "double control" management approach and took a series of actions to control the comprehensive energy consumption per RMB10,000 of operating income and carbon dioxide emission indicators:

Section VI Environmental and Social Responsibility (continued)

- Adjust the energy structure and use clean energy. The Company actively advanced a clean and low-carbon energy consumption structure. For example, China Railway Construction Investment Group Co., Ltd. took the lead in investing and constructing the first prefabricated steel structure “zero-energy” building in China with Sino-German cooperation – the Sino-German Tianjin Daqiuzhuang Ecocity Exhibition Centre, which has officially been put into use. The “passive” housing concept was adopted for the entire building, with a comprehensive energy-saving rate of 100%, and it was expected to reduce carbon dioxide emissions by 156.5 tonnes annually.
- Eliminate outdated equipment and improve energy-saving technologies. The Company actively promoted the application of “four new” achievements. For example, in 2023, the China Railway First Survey and Design Institute Group Co., Ltd. saved a total of 3,178 tonnes of standard coal (equivalent value) by optimizing equipment selection, implementing reactive power compensation, and utilizing LED lighting in projects such as the Yan'an-Yulin Railway, Pingliang-Qingyang Railway, and the expansion of the Ge'ermu-Ku'erle Railway.
- Advocate green life and promote green office practices. The Company adhered to “green office”, and was committed to forming a long-term green office mechanism. It comprehensively promoted resource conservation and recycling by encouraging water, electricity and paper conservation and reducing the consumption of office supplies; adopted LED energy-saving light sources, and strictly controlled the start-stop time of air conditioning and refrigeration units; promoted paperless office and video conferences, and reduced employees' business trips, etc., to advocate for a green and low-carbon lifestyle.

Energy Consumption of 2023

Indicators		Unit	2023
Direct energy	Coal	10,000 tonnes	39.57
	Gasoline	10,000 tonnes	24.89
	Diesel	10,000 tonnes	190.28
	Fuel oil	10,000 tonnes	3.12
	Natural gas	10,000 standard cubic meters	20,531
Indirect energy	Electricity	10,000 kWh	2,163,317
Energy consumption intensity	Comprehensive energy consumption per RMB10,000 revenue	tonnes of standard coal	0.0605

Section VI Environmental and Social Responsibility (continued)

4. Pollution prevention and control

Reducing the generation of waste and increasing the recycling rates are necessary conditions for sustainable development. Focusing on the goal of “energy saving, land saving, water saving, material saving and environmental protection”, CRCC integrated the concept of green development into all aspects of its production and operation, aiming to minimize the potential impact of waste generated from production and operation on the ecological environment while reducing environmental disturbances. During the Reporting Period, no sudden environmental incidents occurred within the Company.

(1) Exhaust gas management

The Company’s primary emissions during production and operation include greenhouse gas carbon dioxide, dust, noise, and flue gas. By strictly adhering to laws and standards such as the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, the Company adopted multiple measures and prioritised prevention at the source to continuously promote comprehensive treatment of atmospheric pollutants and ensure stable emissions within standard limits. During the Reporting Period, the Company’s major pollutant emissions were in compliance with national or local government regulations and standards, effectively achieving phased targets of the year. The construction operations of the Company primarily rely on electricity, gasoline, and diesel as the main energy sources, and these processes basically do not generate nitrogen oxides, sulfur oxides or other exhaust gas, so relevant key performance indicators are not applicable to the Company.

To contribute to the “14th Five-Year Plan” emission reduction target of “reducing carbon dioxide emissions by 18% by the end of 2025”, China Railway Construction Heavy Industry Corporation implemented unified collection of exhaust gases from the painting room, drying room, and paint mixing room involved in VOC emissions in the rail panel coating line. These wastes gases were directed into a newly established treatment system, and emitted after meeting treatment standards with a process of “dry filtration + activated carbon adsorption and desorption + catalytic combustion”. China Railway 22nd Bureau Group Co., Ltd. conducted research on “Key Technologies and Equipment for Green Energy Enhancement and Airborne Dust Suppression in Long Tunnels”, and proposed the method of internal and external dual-cycle ventilation and relay ventilation for the first time, with the research results reaching an international leading level. The environmental protection facilities, environmental monitoring systems, and environmental monitoring data within the Lanzhou acrylonitrile incinerator plant were integrated into the petrochemical company’s online environmental monitoring system. The flue gas emission outlet within the plant was located on a 50-meter stack, and DCS real-time monitoring was adopted for the emission monitoring data area. Since the start of its operation in 2023, both wastewater and waste gases in the plant were discharged within standard limits throughout the year.

Indicators	Unit	2023
Direct emission of carbon dioxide	10,000 tonnes	323.79
Intensity of direct emission of carbon dioxide	(tonnes/million revenue)	2.94
Indirect emission of carbon dioxide (10,000 tons)	10,000 tonnes	1,256.80
Intensity of indirect emission of carbon dioxide	(tonnes/million revenue)	11.40

Calculation method: Intensity of direct emission of carbon dioxide = Direct emission of carbon dioxide/revenue for the year

Intensity of indirect emission of carbon dioxide = Indirect emission of carbon dioxide/revenue for the year

Section VI Environmental and Social Responsibility (continued)

(2) Solid waste management

The Company, in strict compliance with the laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, established targets for the reduction and harmlessness of waste disposal, aiming to achieve the harmlessness, reduction, and resource utilization of waste disposal. In 2023, the Company disposed the solid waste and hazardous waste in strict compliance with national standards and the administrative regulations of the local government where the projects are located, successfully achieving the annual targets. Due to the nature of our industry, the Company generally does not generate hazardous waste, so relevant key performance indicators are not applicable to the Company.

Indicators	Unit	2023
Discharge volume of solid waste	10,000 tonnes tonnes/million	4,205.78
Discharge density of solid waste	revenue	38.15
Total utilization of solid waste	tonne	3,701.09
Utilization rate of solid waste	%	88

Calculation method: Discharge density of solid waste = Discharge volume of solid waste/revenue for the year

Utilization rate of solid waste = Utilization volume of solid waste/solid waste generated × 100%

The Company conducted investigation on risk points of solid waste and hazardous waste pollution, focusing on controlling the five key stages of generation, storage, transfer, utilization, and disposal. The inspections were carried out to identify and clarify the generation and disposal volume of solid waste and hazardous waste for each project, ensuring that records were kept. The construction of storage facilities and places for solid waste and hazardous waste complied with design requirements, national environmental protection standards, as well as management and maintenance specifications. Hazardous waste was clearly marked with identification signs. During the storage and transportation of solid waste and hazardous waste, measures were taken to prevent scattering, loss, or leakage. Illegal activities such as illegal transfer, dumping, and disposal of solid waste and harmful waste were strictly prohibited. Relevant requirements and regulations were followed for the disposal of radioactive waste in the projects, to ensure effective prevention and control of pollution from associated radioactive minerals. For instance, China Railway Construction Heavy Industry Corporation Limited implemented classified collection and segregated storage for solid waste, to ensure that the hazardous waste was protected from wind, rain, sunlight, or infiltration in the storage. In the reconstruction and expansion project of Maoming-Zhanjiang Expressway, China Railway 12th Bureau Group Co., Ltd. actively explored the comprehensive utilization technology of waste concrete aggregates, and carried out the large-scale regenerative application of waste concrete for the first time in Guangdong Province. The chemicals in the laboratories of China Railway 25th Bureau Group Co., Ltd. were centrally processed, with timely collection, centralized storage, full enclosure, and anti-leakage measures, without any omissions. Separate storage rooms were established for greasy items and waste grease.

Section VI Environmental and Social Responsibility (continued)

Regarding the disposal of waste, the Company issued the “Notice on Further Strengthening the Management of Construction Waste on the Construction Site” to standardize the disposal of non-hazardous waste. This involved disposing of waste in designated spoil areas in accordance with national standards, entrusting professional companies locally, or recycling the waste after crushing and screening.

5. Ecological protection

During its operations, CRCC respected, adapted to, and protected nature. It strictly enforced relevant laws and regulations, actively incorporated the environmental impact of its decisions and activities into overall considerations, and strengthened the prevention and control of environmental hazards and ecological protection throughout the production process.

(1) Land management

In strict compliance with laws and regulations such as the Law of the People's Republic of China on Water and Soil Conservation, the Company firmly pursued the path of “ecological construction and green development”, focusing on scientific management and innovative technologies to maximize resource conservation and minimize negative environmental impacts. In 2023, 100% of the Company's temporary construction land was rehabilitated or reforested.

- Establishing environmental management system for the projects: The Company formulated relevant policies and regulations on safe and civilized construction, such as the “Supervision and Management Measures for Energy Conservation and Ecological Environment Protection for China Railway Construction Corporation Limited” and the “Assessment and Evaluation Rules for Energy Conservation and Ecological Environment Protection for China Railway Construction Corporation Limited” to strictly control soil pollution, radioactive material pollution, and other forms of pollution that may harm the ecological environment at construction sites. Efforts were made to strengthen ecological protection, plan sites rationally, and reduce the occupation of farmland and arable land, to promote the sustainable utilization of land resources through practical actions.
- Conducting investigation on soil pollution risk points: This mainly focused on the disposal of residual pollutants generated during the dismantling of production facilities and structures, the reclamation and greening of temporary construction sites, and the protection of vegetation. It also examined illegal and irregular behaviours in ecological and environmental protection, such as whether measures were taken to prevent seepage in areas where oil and machinery maintenance and repair activities were carried out, whether there was soil pollution in the development and exploitation of mineral resources and gravel mining, and whether there were any violations of soil and vegetation protection within nature reserves.

Section VI Environmental and Social Responsibility (continued)

- Developing comprehensive green and environmental development plans: The Company promoted synergy across the entire industry chain and formulated comprehensive development plans under the concept of “green and environmental protection+”. With “ecology+” as the core, it integrated green and environmental protection with land value enhancement, regional resource balance, and the output of ecological products, aiming to create an industrial ecological system, continuously support the implementation of integrated protection and restoration projects for mountains, rivers, forests, farmlands, lakes, grasslands, and deserts, and enhance the diversity, stability, and sustainability of the ecosystem.

(2) Biodiversity

The Company, in strict compliance with the Wild Animal Conservation Law of the People's Republic of China, the Regulations of the People's Republic of China on Nature Reserves, and other relevant laws and regulations on biodiversity in the locations of its operations, adhered to ecological red lines and ensured no harm to fragile ecosystems, habitats, or endangered species. In 2023, China Railway First Survey and Design Institute Group Co., Ltd. led the “Ecological Environmental Protection Measures and Plans for the Sichuan-Tibet Railway Project” major program funded by the Ministry of Science and Technology, and participated in three biodiversity protection programs, including “Monitoring, Assessment, and Protection Technologies for the Impact of the Sichuan-Tibet Railway Project on Wildlife”, “Evaluation and Application Demonstration of the Effectiveness of Protection Technologies for Typical Ecosystems and Key Protected Plants”, and “Technologies and Experimental Demonstration for Soil Structure Reconstruction and Fertility Maintenance in Ecologically Damaged Areas in Projects; Key Technologies and Experimental Demonstration for Vegetation Restoration in Ecologically Damaged Areas in Projects”.

(II) Society

1. Safety and health

CRCC explored the establishment of the “1448” safety management principles and strove for the goal of “zero accidents, zero fatalities” in work safety; focused on ensuring safety from four aspects: ideological concepts, system construction, program management, and behavioural norms; increased key investments in work safety-related personnel, technology, equipment, and funds; strengthened eight key areas of work, including implementation of all-staff safety responsibilities, terminal safety control, safety education and training, assessment rewards and punishments, information empowerment, emergency response and disposal effectiveness, accident liability investigation, and safety culture construction, to effectively ensure work safety.

Section VI Environmental and Social Responsibility (continued)

(1) Work safety

The Company implemented the laws and regulations such as the Law of the People's Republic of China on Work Safety, and prepared and revised enterprise management systems such as the "Regulations on Regional Safety Supervision and Management", "Regulations on the Management of Work Safety Accidents", "Guidance Handbook for Onsite Safety Standardization", and "Manual for Standardization of Safety Protection at Construction Sites". It continuously implemented work safety objectives and standardized safety risk management as well as hazard identification and rectification work. During the Reporting Period, the Company sorted out the operational requirements for 140 professional positions in fields such as railways, municipal engineering, construction, highways, hydropower, water conservancy, and urban rail transit, formulated behavioural safety guidelines for each position, prepared safety operation procedures for various types of work, and promoted the application of the "four cards and one procedure" (job responsibility card, risk notification card, safety operation card, emergency response card, and safety operating procedure) for safe operation. This facilitated a cultural shift among frontline operators from "passive safety" to "active safety", effectively preventing and reducing the occurrence of work safety accidents.

The Company attached great importance to safety risk prevention, continuously conducted comprehensive investigations on safety hazards, and ensured timely identification and resolution of safety hazards at construction sites to reduce the occurrence of construction safety accidents. During the Reporting Period, the Company systematically reviewed the determination criteria for major accident hazard issued by relevant industry authorities, organised the development of the "Criteria for Determination of Major Accident Hazard at Construction Site (2023 Edition)" and compiled 291 items of major accident hazards. The Company urged all the related entities to promptly add them to the "hazard list database" at both enterprise and project levels, promoting accurate inspection and management of major accident hazards throughout the system.

Statistics for work-related fatalities for the past three years

Indicators	Unit	2021	2022	2023
Number of work-related fatalities	person	9	12	10
Rate of work-related fatalities	%	0.0034	0.0045	0.0009
Number of lost workdays due to work-related injury	day	54,000	72,000	60,000

Note: Statistics are based on fatalities from work-related accidents, with each fatality equating to 6,000 lost workdays.

The Company attached great importance to safety awareness education for all employees, strengthened safety education and training for the employee, and continuously enhanced employee safety awareness. In 2023, the Company carefully arranged work safety rotation training at all levels and planned a series of activities for "Work Safety Month". It organised frontline employees to watch safety warning education videos, conducted safety skills competitions, and other activities, with a total of 8,200 safety training activities and 212,600 participants.

Section VI Environmental and Social Responsibility (continued)

(2) Occupational health

The Company seriously implemented the requirements of the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases” and the “National Plan for the Prevention and Control of Occupational Diseases” (2021–2025), and developed the “Occupational Health Operation Control Procedure” based on the “Occupational Health and Safety Management Systems – Requirements with Guidelines for Use” (GB/T45001–2020), to fulfil its corporate responsibilities, promote the source control of occupational hazards, prevent and control the occurrence of occupational diseases, and effectively safeguard the occupational health and safety of employees.

During the Reporting Period, the Company strengthened the procurement, usage, and management of labour protection supplies. Such supplies must be purchased from designated suppliers, and their quality must comply with relevant national regulations, requirements of customers and local government departments. The Company collected corresponding work safety licenses, product quality certificates, and safety appraisal certificates, and established usage ledgers. The use of nonconforming products was strictly prohibited. The Company also strengthened the control of high-hazard factors such as toxic dust, noise, and radioactivity, strictly followed national and local regulations, continuously improved prevention and control measures, and regularly conducted professional monitoring and inspections of the workplace as well as physical examinations of the personnel. For employees with occupational diseases, the Company made active treatment arrangements and proper placement after their recovery. Additionally, the Company strengthened safety and hygiene controls, regularly cleaned the office and living areas. The employee canteen was equipped with appropriate facilities and measures for disinfection, washing, ventilation, anti-corrosion, dust prevention, rodent control, and wastewater discharge, with water quality complying with national health standards to prevent food poisoning and infectious diseases. Special attention was given to the protection of female employees, with strict adherence to relevant regulations on their labour protection. Their work was arranged reasonably, and appropriate care and subsidies were provided according to regulations. Regular physical examinations for employees were arranged, with the selection of examination items based on the principles of safety, necessity, and convenience. Any findings during these examinations were promptly fed back to the employees and medical services were provided as needed.

Indicators	Unit	2023
Coverage rate of employee health records	%	100
Number of occupational health and safety education and training sessions	times	7,800

Section VI Environmental and Social Responsibility (continued)

2. Employee rights and interests

CRCC upheld the talent philosophy of “putting people first, promoting both virtue and ability”, striving to create a safe and harmonious work environment and become a trusted family for its employees.

(1) Protection of rights and interests

The Company, in strict compliance with the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, Provision on Prohibition of Child Labour, and relevant legal requirements in overseas operating countries and regions, treated employees of different backgrounds fairly and justly, adhered to a labour policy of gender equality, equal pay for equal work, and non-discrimination, strictly prohibit and opposed any form of child labour and forced labour, and provided employees with a safe, healthy, diverse, inclusive, and non-discriminatory workplace environment.

- **Equal employment:** The Company attached great importance to and guaranteed the basic rights and interests of its employees, adhered to equal employment, actively promoted the localization of talent policies, and treated employees of different nationalities, races, genders, religious beliefs, and cultural backgrounds fairly and justly to construct a diversified talent system. We strictly prohibited and opposed any form of child labour and forced labour, and would conduct thorough investigations and punish relevant personnel if such events were discovered. In the management of the recruitment process, according to the regulations and training procedures, the Company ensured that employees responsible for recruitment were aware of relevant regulations, and strictly adhered to the recruitment system in the recruitment process; strictly prohibited the recruitment of individuals younger than the legal working age, conducted identity verification and registration for job applicants, and regularly inspected the applicant records. Additionally, the Company established relevant rules and regulations to penalize personnel who violated the recruitment management. The Company also conducted due diligence investigations and communications with subcontractors, conducted identity record checks for migrant worker teams managed by subcontractors and prohibited the use of child labour. As of the end of the Reporting Period, the Company had a total of 267,587 employees, with a proportion of 21.54% for female employees and 5.1% for ethnic minority employees. The specific employment situation of the Company in 2023 is as follows:

Employment of employees in 2023

Classification criteria	Category	Number (person)	Proportion (%)
By gender	Male	209,944	78.46
	Female	57,643	21.54
By talent type	Management talents	42,252	15.79
	Professional and technical talents	184,688	69.02
	Skilled talents	40,647	15.19

Section VI Environmental and Social Responsibility (continued)

Classification criteria	Category	Number (person)	Proportion (%)
By geographical region	Mainland China	256,361	95.80
	Overseas and Hong Kong, Macau and Taiwan	11,226	4.20
By employment type	Full time (person)	267,587	100.00
	Part time (person)	0	0
By education level	Postgraduate and above	16,306	6.10
	Bachelor degree	183,913	68.73
	Junior college	33,326	13.20
	Technical secondary school	13,518	5.05
By age group	High school or below	18,524	6.92
	Under 35	132,308	49.45
	Aged 36-40	52,243	19.52
	Aged 41-45	29,417	10.99
	Aged 46-50	26,914	10.06
	Aged 51-54	16,767	6.27
	55 and above	9,938	3.71

The employee turnover rate of 2023

Classification criteria	Category	Proportion (%)
By gender	Male	99
	Female	1
By geographical region	Mainland China	100
	Overseas and Hong Kong, Macau and Taiwan	0
By age group	Under 35	75.72
	Aged 36-40	12.78
	Aged 41-45	5.47
	Aged 46-50	2.98
	Aged 51-54	1.56
	55 and above	1.49

Section VI Environmental and Social Responsibility (continued)

- Salary and Welfare:** The Company has strictly followed national policies and regulations in implementing the social insurance system, continuously improved the differentiated salary allocation system and established a sound incentive mechanism that aligns with market standards and targets. The Company has adopted a salary allocation system centred on the annual salary system for corporate executives, the performance-based salary system for management personnel, and the production-linked salary system for production personnel, guiding the income distribution towards front-line workers and key positions; implemented comprehensive calculation of working hours and irregular working hour systems, clarified specific operational methods for the labour contract changes, working hour attendance, rest and vacation, performance evaluation, and salary distribution for workers with special working hours, and also adopted appropriate work and rest schedules in strict accordance with national regulations on working hours and vacation standards and based on feedback from employees, to ensure their right to rest and vacation, protect their physical health, and safeguard their legitimate labour rights and interests.

Indicators	Unit	2023
Labour contract signing rate	%	100
Social insurance coverage rate	%	100
Employee physical examination coverage rate	%	100

- Democratic management:** The Company has revised and issued the "Implementation Measures for the Employee Congress of China Railway Construction Corporation and China Railway Construction Corporation Limited". Through various methods such as resolutions by employee representatives and grassroots research, the Company has smoothed communication channels for employees and motivated them to work diligently as business partners. As of the end of the Reporting Period, the Company had a total of 300,244 employees across the entire system and 6,346 established labour unions, achieving a 100% union membership rate for employees.

Section VI Environmental and Social Responsibility (continued)

(2) Training and development

The Company has established regulations such as the “Management Measures for Employee Education and Training” and the “Implementation Measures for Education and Training Management at the Headquarters of the Joint-Stock Company”, adhered to the principles of overall planning, highlighting key points, hierarchical management, and graded responsibility, focused on the abilities and competency needs of employees at each stage of their growth and provided specialized ability training accordingly.

In terms of career development, the Company has established a systematic and comprehensive title evaluation system, convened initial, intermediate, and advanced evaluation meetings level by level to conduct a series of title evaluations in engineering, economic, accounting, and political work; also established expert career paths, conducted assessments and additional selections for experts according to regulations, and improved career paths for project managers to provide channels, spaces, and goals for the growth and development of various types of talents.

In terms of talent cultivation, the Company has actively advanced a talent-driven strategy, improved market-oriented selection and employment mechanisms, implemented core talent development programs, and improving mechanisms for talent recruitment, cultivation, and utilization by following the overall approach of “controlling quantity, optimizing quality, enhancing skills, and stimulating vitality”. The Company has also continuously deepened institutional reforms, constructed a human resources management system that fits modern enterprises’ characteristics, and built five talent teams consisting of high-quality “enterprise leadership talents, business management talents, professional technical talents, compound party and mass work talents, and high-skilled talents”. In 2023, the Company added 2 effective candidates for academicians.

During the Reporting Period, the Company increased investment in training and conducted capacity-building activities such as the “Youth Talent Project” and the “Headquarters Lecture”. The total investment in employee training was RMB969.18 million, with a total of 1,263,596 attendances, of which 956,542 attendances, or 75.7%, involved male employees and 307,053 attendances, or 24.3%, involved female employees. The average training duration per person was 90 hours, and training coverage rate in employees was 95%. The specific conditions on employee training are as follows:

Types of training	Quantity (attendances)	Proportion (%)	Training hours of male employees (hours)	Training hours of female employees (hours)
Enterprise leaders	23,142	1.83	120+	120+
Operational management personnel	134,505	10.65	115+	110+
Professional technicians	849,876	67.26	95+	90+
Party-mass management personnel	50,587	4.00	100+	100+
Skilled personnel	205,486	16.26	90+	85+

Section VI Environmental and Social Responsibility (continued)

(3) *Employee care*

The Company is committed to creating a safe and comfortable haven for employees, actively promoting the pilot program of “improving the quality of employees’ lives” initiated by the All-China Federation of Trade Unions. It has issued guidelines such as “Guiding Opinions on Implementing Actions to Improve the Quality of Employees’ Lives in China Railway Construction Corporation Limited”, organised various cultural and sports activities to support employees’ happy lives and healthy work. At the same time, the Company cares for various special groups of employees, such as retired employees, employees facing difficulties, employees with illnesses, female employees, and overseas employees. It has implemented union work brands such as providing warmth in winter, coolness in summer, assistance for education in autumn, and year-round care, striving to provide inclusive and regular services to all employees. During the Reporting Period, the Company invested RMB78.37 million to assist 32,850 employees, and raised funds of RMB74.95 million to provide warmth and support.

3. Operational management

CRCC always adheres to business ethics, actively creates a fair competitive environment, strictly controls product quality, and improves service quality, aiming to create greater value for the industry and the Company.

(1) *Product management*

The Company always complies with laws and regulations such as the “Law of the People’s Republic of China on Product Quality”, the “Metrology Law of the People’s Republic of China”, and the “Law of the People’s Republic of China on Standardization”. It has formulated management systems such as the “Activity Management Measures for Quality Management Teams”, the “Selection Measures for Excellent Engineering Survey and Design Awards”, and the “Selection Measures for Excellent Engineering Consulting Achievements”, to promote the normalization of quality management work and strive to improve product quality and service levels.

The Company has taken multiple measures to strengthen quality management, adhered to the principle of “century-long plan, quality first”, and fully implemented the quality responsibility system to strengthen the lean management in project management. During the project contracting phase, the Company strengthened the standardised management, with value creation as the focus, and intensified the screening at the project source to ensure standardized contracting; during the project construction phase, the Company also strengthened the standardised management, improved the project standardization manuals, and strengthened the responsibility cost management; during the project evaluation phase, the Company strengthened the performance management, established an open and transparent project performance evaluation mechanism and project manager performance files, explored mechanisms for sharing excess project profits, strengthened information management throughout the entire project process, and established a digital project management centre to achieve interconnection and share experiences among different projects, forming a batch of distinctive lean project management models.

Section VI Environmental and Social Responsibility (continued)

During the Reporting Period, the Company won 12 Luban Awards (National Quality Projects), 4 FIDIC Grand Awards, 11 China Steel Structure Gold Awards, and 14 Zhan Tianyou Civil Engineering Awards. No product recalls were required due to safety and health reasons. In addition, since the Company's products are construction-related ones, there is no product recall procedure.

Indicators	Unit	2023
First-time yield	%	100
Quantity of products that need to be withdrawn and recalled due to health and safety reasons	<i>piece</i>	0

(2) *Customer service*

The Company strictly abides by the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests" and adheres to the customer-centric service philosophy. It has established a comprehensive service system, innovated customer service models, provided customers with safe, reliable, high-quality, and efficient services, and also established a customer management system to ensure smooth channels for customer feedback, effectively safeguard their reasonable, compliant, and legal rights and interests, and continuously enhance customer satisfaction.

The Company places great importance on protecting customer privacy and implements hierarchical protection of customer information. Dedicated personnel are responsible for managing customer data. In terms of protecting the information of major customers, the Company manages customer information in a hierarchical and departmental manner, and implements authorization management in the sales system. Different levels of punitive measures are taken against individuals who disclose owner and customer information without cause, and network security measures are implemented to eliminate information security risks. During the reporting period, no incidents of customer privacy leakage occurred within the Company.

Indicators	Unit	2023
Fulfilment rate of economic contracts	%	100
Customer satisfaction	%	100
Quantity of customer complaints	<i>times</i>	0
Complaint resolution rate	%	100

Section VI Environmental and Social Responsibility (continued)

(3) Business ethics

The Company, in strict compliance with relevant laws and regulations such as the “Supervision Law of the People’s Republic of China” and the “Anti-Money Laundering Law of the People’s Republic of China”, emphasizes the implementation of the “two responsibilities” and promotes the “three no’s” (no one dares to be corrupt, no one is able to be corrupt and no one wants to be corrupt) policy and strategy. It resolutely combats corruption, rectifies the “four undesirable work styles”, fully implements regulatory responsibilities, improves the anti-corruption supervision system and the working mechanism of “party committee taking overall leadership, disciplinary inspection commission conducting joint inspections, functional departments undergoing regular supervisions and rectifications, and inspected entities undergoing comprehensive rectifications”. Through these methods, the Company effectively carries out inspection and rectification, and promotes the deepening development of the party conduct, clean governance and anti-corruption work throughout the entire system.

- **Anti-corruption:** The Company abided strictly by the laws and regulations of the countries and regions where it operates, both within and outside of China, implemented the “Opinions of the Central Committee of the Communist Party of China on Strengthening Supervision of Leading Officials and Leadership Teams (《中共中央關於加強對“一把手”和領導班子監督的意見》)”, and strictly implemented the system of talking to the “top leader” of subordinates, whereby the Secretary of the Company’s Party Committee and the Secretary of the Discipline Inspection Commission respectively held talks with 130 and 212 “top leaders” of subordinate units. The Company implemented the new cadres “every mention must be discussed (凡提必談)” requirements, and the Discipline Inspection Commission conducted 84 pre-appointment integrity talks, effectively fastening the “First Buckle” of integrity. In 2023, the Company conducted 26 special studies and deployment on the construction of Party conduct and government integrity and anti-corruption work.

The Company strengthened the supervision and restraint of power operation, focused on areas of concentrated power and intensive capital, took the key areas and critical links, such as material procurement, foreign investment, asset disposal, project settlement, fund allocation, bidding and tendering, as supervisory emphases, resolutely investigated issues such as “eating from the same bowl”, related party transactions, rent-seeking, and benefit transmission, and continued to perfect and improve the supervisory system, effectively preventing the loss of state-owned assets.

Section VI Environmental and Social Responsibility (continued)

The Company insisted on convening warning education conferences, publicly announces typical cases, and uses real-life examples to educate its employees. The Company strengthened the construction of the “incorruptible” institutional mechanism, formulated more than 50 systems such as the “Provisional Measures for the Management of Cash Flow of Construction Projects (《工程項目現金流管理暫行辦法》)” and “Measures for the Management of Procurement Supervision (採購監督管理辦法)”, and continued to promote the implementation of “big data” supervision and project inspection and supervision. The Company also strengthened the ideological defense line of “not wanting to be corrupt”, carries out anti-corruption and integrity propaganda and education month activities, held over 1,000 speeches on the theme of probity, organized over 1,650 visit tour at warning education bases, and collected over 5,000 copies of letters of work with integrity. All of these efforts create a strong atmosphere of promoting honesty and integrity. During the Reporting Period, there was 1 concluded case of corruption or bribery lawsuits brought against an employee, who was sentenced to 11 years and 6 months' imprisonment for corruption and acceptance of bribes, with a total fine of RMB800,000. The Company has terminated the employment contract with the employee, and the outcome of the litigation was in the interests of the Company.

- **Whistleblowing and complaints:** The Company has established the “Procedures for Handling Whistleblowing and Complaints” and strictly follows the “Rules for Handling Whistleblowing and Complaints by Disciplinary Inspection and Supervision Authorities” to handle whistleblowing and complaints, and receive the reports through phone calls, letters, and on-site visits regarding relevant issues. For whistleblowing and complaints concerning management personnel under the supervision of the Company's Party Committee, the cases are transferred to the Disciplinary Inspection and Supervision Office of the Company after going through the approval process. For other individuals, the cases are transferred to the relevant disciplinary inspection commission after the approval process. The Company has set up a hotline for reporting and maintained smooth channels for receiving reports through phone calls, letters, and visits. It follows the prescribed procedures for receiving, accepting, approving, handling, and supervising whistleblowing and complaint cases. Clear responsibilities are assigned to the handling personnel, and strict control is exercised over the scope of knowledge. Confidentiality and accountability are ensured for whistleblowers.

Section VI Environmental and Social Responsibility (continued)

- Fair competition:** The Company actively creates a business environment with fair competition. Subcontractors and lessors are included in the supervision system, and integrity warning education is conducted. Subcontractors and suppliers are invited to provide reverse evaluations of project work, promoting the healthy development of the industry.
- Intellectual property protection:** The Company adheres to self-reliance and technological independence and strictly complies with laws and regulations such as the “Anti-Unfair Competition Law of the People’s Republic of China” and the “Patent Law of the People’s Republic of China”. It emphasizes the protection of intellectual property rights and safeguards its own legitimate interests while avoiding infringement of others’ intellectual property rights, providing strong support for research and development innovation. During the Reporting Period, the Company obtained 6,831 authorized patents, including 2,008 invention patents and 58 patents under the Paris Convention and PCT. It held 35,832 valid patents, including 6,897 invention patents and 169 patents under the Paris Convention and PCT. The Company won 1 silver award and 7 Chinese excellent awards in the 24th China Patent Awards, ranking first among state-owned construction enterprises. In the third High-Value Patent Promotion Competition organised by the China Association of Construction Enterprise Management, the Company won 4 special awards and 31 first prizes, ranking first among participating entities. In the National Intellectual Property Advantage Demonstration Enterprise Certification for the year 2023, one entity was recognised as a national intellectual property demonstration enterprise, and 18 entities were recognised as national intellectual property advantage enterprises, with the highest number in history.

Indicators	2023
Authorized patents for the year	6,831
Including invention patents	2,008
Paris Convention and PCT patents	58
Accumulated authorized patents	35,832
Including invention patents	6,897
Paris Convention and PCT patents	169
National Intellectual Property Demonstration Enterprise	1
National Intellectual Property Advantage Enterprise	18

Section VI Environmental and Social Responsibility (continued)

4. Supply chain management

CRCC attaches great importance to procurement and supply chain management and has formulated clear strategies and plans for procurement and supply chain. It is continuously striving towards the goal of digitalized procurement, and working together with suppliers for high quality and sustainable development.

(1) *Supplier management*

The Company values the management of suppliers and subcontractors and has established a supplier performance evaluation model and a regular evaluation model. The Company has formulated the “Supplier Management Measures” and established a sound supplier normative management mechanism, achieving full life cycle management of admission, inspection, classification, dynamic evaluation, and elimination.

- **At the supplier admission stage**, the Company requires suppliers to comply with relevant national regulations in respect of production technology and equipment, and strictly reviews the supplier’s production technology, production environment, and technical capabilities, and checks for any illegal records, major legal disputes, environmental violations, and other information in the past three years of their operation.
- **At the supplier evaluation stage**, the Company fully considers various factors, such as the supplier’s supply capacity, financial status, social reputation, environmental protection, etc., and makes efforts in dynamic management and evaluation, and publishes the evaluation results, which are applied to the procurement process and supply chain construction, so as to establish long-term cooperative relationships with high-quality suppliers.

As of the end of the Reporting Period, 3,325 suppliers of equipment for CRCC were included in the Company’s list of major suppliers after qualification review and approval, and 82,575 major suppliers of domestic materials were included in the Materials Centralised Procurement Centre.

Major suppliers to CRCC in 2023

Region	No. of major suppliers of equipment	No. of major suppliers of supplies
North China	797	14,845
Northeast China	251	4,142
East China	951	24,776
South Central China	596	18,516
Southwest China	388	11,555
Northwest China	265	8,741
Overseas	77	0
Total	3,325	82,575

Section VI Environmental and Social Responsibility (continued)

(2) *Responsible supply chain*

The Company has established the CRCC Cloud Procurement Platform to provide suppliers with an open and fair competition environment, and offer end-to-end electronic bidding services, enabling paperless operations throughout the entire process. The CRCC Cloud Procurement Platform has been widely promoted and iteratively upgraded. Some subsystems of the second phase have already been launched. As of the end of the Reporting Period, 29 secondary entities have conducted procurement activities through the CRCC Cloud Procurement Platform, with 91,229 suppliers registered on the platform; various entities have completed procurement transactions worth RMB208.7 billion through the CRCC Cloud Procurement Platform. The construction and trial operation of the CRCC Cloud Leasing Platform have been basically completed, achieving a transaction volume of RMB1.49 billion.

- **Responsible procurement:** The Company attaches importance to and implements responsible procurement, conducts comprehensive evaluations and effectively mitigates ESG-related risks of suppliers. It actively encourages suppliers to fulfil their social responsibilities and conducts social responsibility education and training for the suppliers based on major projects in various regions to standardize supplier behaviour and enhance their awareness and ability to fulfil responsibilities. During the Reporting Period, the Company organised 12 supplier symposiums.
- **Green procurement:** Against the backdrop of the “carbon peaking and carbon neutrality” target, the Company further promotes sustainable low-carbon development in the supply chain while maintaining good cooperative relationships with suppliers. For example, China Railway Material Group Co., Ltd., the collective procurement centre for CRCC, takes green and low-carbon steel as a starting point, follows the Green Steel Standard, focuses on green steel procurement, and leverages green finance to reduce the burden of steel enterprises at both ends of the supply chain. With the advantage of the upstream end of the industrial chain, it has successfully completed pilot production and supply of “green steel” in collaboration with domestic steel manufacturers and implemented green steel standard warehousing in the pilot steel mills.
- **Safety of supply chain:** The Company attaches great importance to safety and stability of supply chain, encourages diversified supplier resources, and reduces reliance on a single supplier, enabling timely adjustments in the event of raw material shortages or supply disruptions. The Company promotes priority use of internal products and improves self-sufficiency of key materials and bottleneck products through supply chain supplementation and extension, reducing adverse impacts caused by market changes.

Section VI Environmental and Social Responsibility (continued)

5. Community engagement

CRCC has worked with governments, clients, enterprises, and non-profit organisations from various countries to carry out activities such as rural revitalization, disaster assistance, and public welfare donations. This ensures that communities benefit from the Company's business operations, continuously creating due value for social progress and a better life.

(1) *Rural revitalization*

The Company has thoroughly studied and implemented the important expositions and instructions of General Secretary Xi Jinping regarding "agriculture, rural areas, and farmers", and in accordance with the requirements of the "Key Points for State-owned Enterprises to Assist in Rural Revitalization in 2023" and other relevant guidelines, adhered to the "four non-removal" (no removal of responsibility, policy, assistance or supervision) work requirements, focused on the "five major revitalization items" (industrial revitalization, cultural revitalization, talent revitalization, ecological revitalization, and organisational revitalization) work objectives, and adhered to the mechanism of "unified management and hierarchical responsibility" to conscientiously carry out planning and deployment at the headquarters level, effectively strengthen supervision, guidance, and resource input guarantees, and devote ourselves to organising and implementing such work. The Company's main leaders led teams to visit designated support areas to understand the situation, provide deployment and guidance, and connect with local governments to meet their support needs. The section leaders have achieved full coverage of research and guidance in designated support areas. In 2023, Company deliberated on and deployed the rural revitalization tasks for a total of 13 times through various forms such as the Company's party committee meeting, special meetings of the chairman, work advancement meetings, and written approval by leaders.

During the Reporting Period, the Company undertook 24 designated assistance tasks for rural revitalization in 12 provinces across the country, dispatched 48 cadres on secondment and first secretaries to villages, directly invested RMB40.6981 million in non-reimbursable assistance funds, introduced additional RMB70.7 million as assistance funds, and introduced 16 assistance projects. The Company supported 17 rural cooperatives and workshops, employed and assisted in the employment of 681 people lifted out of poverty, trained 1,385 rural grassroots officials, leaders in rural revitalization, and professional technical talents; invested nearly RMB9 million in consolidating the achievements of "two assurances and three guarantees" (assurance of food and clothes; guarantees of compulsory education, basic medical care, and housing) and established 11 demonstration sites for rural revitalization; mobilized and organised entities at all levels within the Company to participate in consumption assistance for farmers, with a total direct purchase of agricultural products from poverty-stricken areas amounting to RMB26.284 million throughout the year. The headquarters of the Company directly undertook three designated assistance counties, where all assessment and evaluation indicators were well completed, with main investment indicators achieving growth to varying degrees compared to 2022.

Section VI Environmental and Social Responsibility (continued)

(2) *Community co-building*

The Company actively practices socialist core values, vigorously promotes the spirit of volunteerism, and has achieved significant progress in the standardization, branding, and project-based operation of youth volunteer service activities. Youth league organisations at all levels of the Company have registered 55,847 volunteers under “Zhihui Tiejian” (Volunteer Collection at CRCC), established 1,592 youth volunteer service teams, and carried out more than 100,000 instances of volunteer services in the spirit of Lei Feng. The “Zhihui Tiejian” youth volunteer service platform has become a comprehensive platform for work exchange, resource docking, and cultural leadership among youth league organisations at all levels, creating an optimal synergy in volunteer services. During the Reporting Period, the Company donated RMB49.0013 million and participated in 3,366 social public welfare activities.

(3) *Emergency relief*

The Company continuously strengthens the standardization and normalization of its emergency response teams, pre-positions emergency forces, reinforces internal and external emergency response mechanisms, rapidly advances the construction of the National Central China Regional Emergency Rescue Centre program, and persistently improves the emergency response mechanism to ensure the pre-positioning of engineering emergency forces and rescue operations.

During the Reporting Period, the Company participated in flood control and disaster relief efforts in the Beijing-Tianjin-Hebei and Northeast regions. Its 18 affiliated enterprises took immediate action and carried out emergency rescue work on railways such as Fengtai-Shacheng Railway, Beijing-Kowloon Railway, Beijing-Xiong'an Railway, Beijing-Yuanping Railway, Fangshan-Zhoukoudian Railway, Liangxiang-Chenjiafen Railway, as well as in Beijing, Tianjin, Hebei Province, Xiong'an New Area, Heilongjiang Province, Jilin Province, and Liaoning Province. A total of 40,758 personnel and 4,972 sets of machinery and equipment were deployed. The Company also participated in earthquake relief efforts, organising its entities in Gansu region to form emergency rescue teams and mobilize large-scale machinery and equipment. Its eight affiliated enterprises successively entered the disaster-stricken areas to provide essential items such as temporary housing, beds, bedding, and stoves to the affected people. They also conducted earthquake damage analysis and assessment, carried out safety evaluations of dangerous buildings, and provided technical support for post-disaster reconstruction in Gansu and Qinghai.

Section VI Environmental and Social Responsibility (continued)

(4) *Overseas responsibility*

The Company vigorously promotes the “Overseas Priority” strategy, focusing on integrated investment, construction, and operation. It strives to build a “3+5+N” overseas business development system and management framework, to continuously leverage the advantages of the entire industry chain, and expand the breadth of its “going out” strategy. As of the end of the reporting period, the Company’s overseas business spanned 143 countries and regions, with over \$160 billion ongoing projects. In countries participating in the Belt and Road Initiative, the Company designed and constructed a total of 14,000 kilometers of railways and urban rail systems, 7,000 kilometers of highways, and over 50 airports and ports, also completed the construction of 12 million square meters of housing, with 14 super-tall buildings taller than 200 meters under construction or completed, and operated and maintained over 3,000 kilometers of railway tracks, contributing to a number of world-influential engineering projects that enhance the reputation of the company’s brand.

Furthermore, the company adheres to the principle of pursuing both righteousness and benefits, and actively integrates into the local communities where it operates overseas. It carefully organises and implements “small but beautiful” livelihood projects, and actively promotes mutual understanding among people. For example, the Company completed the Toliara Water Supply Project in Madagascar, which solved the long-standing problem of water scarcity and distance for more than 60 villages around Toliara City, greatly improving the local people’s well-being. As of the end of the Reporting Period, the localization rate of the Company’s employees reached 76%.

Section VI Environmental and Social Responsibility (continued)

(III) Others

1. Statement of the Board

The Board attaches great importance to ESG management, proactively integrating ESG into the Company's development strategy, major decisions, and production and operation, and forming a well-defined governance structure to effectively control ESG-related risks and promote the continuous improvement of corporate governance.

The Board's ESG governance responsibilities. The Board, as the highest decision-making body on ESG matters, is ultimately responsible for the Company's ESG governance. The Audit and Risk Management Committee under the Board represents the Board in identifying significant environmental, social, and governance risks and opportunities for the Company. The Committee shall formulate environmental, social, and governance objectives, strategies, and frameworks, and oversee their implementation, and continuously monitor the policies related to environmental, social, and governance issues and ensures compliance.

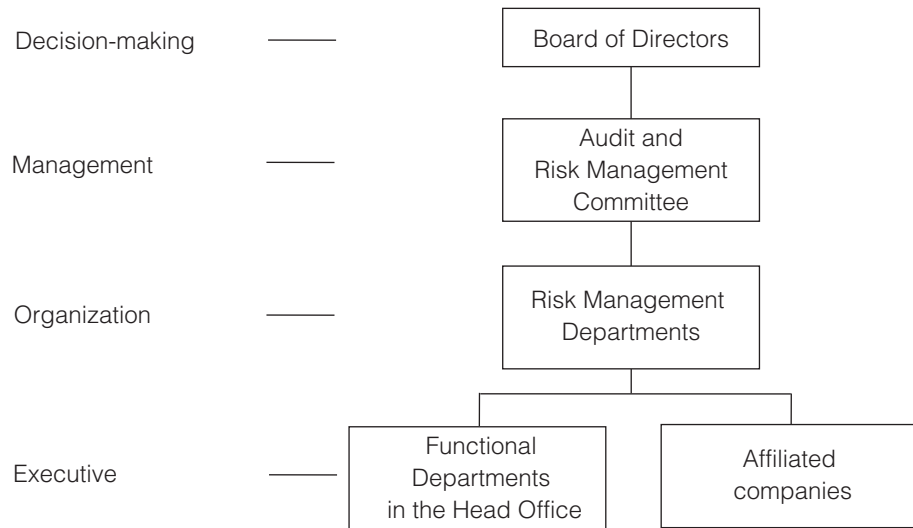
ESG management approach and strategy. The Company attaches great importance to ESG governance and continuously develops its ESG governance system. Based on the internal and external development environment, the Company regularly conducts ESG risk and opportunity analysis, taking into account macro policies, socio-economic conditions, benchmarking with excellent enterprises, strategic planning of the enterprise, and stakeholder communication, and carries out importance assessments through stakeholder surveys and other methods to identify substantial issues that are of significant importance to the Company's development from the perspectives of "importance to the development of CRCC" and "importance to stakeholders". This helps establish the key areas and management measures for ESG risk control.

Targets, indicators and progress reviews. The Company has established an ESG target management mechanism that covers major indicators such as carbon emissions, pollutant emissions, energy consumption, water resource management, safety and health, employee development and training, anti-corruption, and compliance. The Board of Directors annually reviews the progress of the objectives, challenges faced, strengths and weaknesses, formulates targeted control measures and breaks down the responsibilities for control. ESG indicators are incorporated into the annual performance evaluation system for management and subsidiary entities to promote the achievement of ESG goals and improve the Company's ESG performance.

ESG risk management. CRCC attaches great importance to the risk and internal control management and effectively deploys the work of risk management in terms of "early prevention, mid-term control, and post-event relief" by following the principle of proactive control, with the overall requirement of ensuring the prevention of systemic risks.

Section VI Environmental and Social Responsibility (continued)

- Risk management system: CRCC has optimized and reconstructed its risk and internal control organisation system and established a risk and internal control organisation structure with “vertical and horizontal integration and collaborative supervision”, emphasizing the working mechanism of work collaboration, process control, resource integration and effective utilization. The Board attaches great importance to ESG management; the Audit and Risk Management Committee performs ESG supervision functions; the risk management department is responsible for organising and coordinating the Company’s risk management work, and the functional departments of the headquarters and the subsidiary companies are responsible for the specific implementation of risk management, integrating ESG risk management into all aspects of the Company’s business processes.



- Risk management mechanism: The Company relies on the CRCC Cloud Risk Monitoring Centre to strengthen the identification, evaluation, early warning, and process control of various risks, especially major risks, through research and analysis of massive risk data. With a focus on enhancing the control of major risks, the Company has formulated and issued the “Management Measures for Major Risks”, specified 36 risk monitoring indicators for 20 important risks, refined the mechanism for regular risk monitoring and analysis reports, and organised the development of major risk control plans at all levels on a regular basis, to achieve monthly monitoring and quarterly analysis. During the Reporting Period, the Company held eight meetings of the Audit and Risk Management Committee, namely the ninth to sixteenth meetings of the fifth session, during which 25 resolutions were reviewed and approved.

Section VI Environmental and Social Responsibility (continued)

- Risk identification and assessment: The Company organised the 2023 annual risk identification and assessment work, and dynamically updated the risk list (including ESG risks) that aligns with the Company's actual situation. Based on the Company's risk list, the Board re-considered the 2023 annual ESG management-related objectives, challenges, advantages, and disadvantages, formulated targeted control measures, and broke down the control responsibilities.
- Effectiveness of management measures: The Company deepened the construction and application of the cloud risk monitoring centre, enhanced the role of collecting, analysing, warning, and controlling big data of various risk information, and provided strong support for risk prevention, management improvement, and performance promotion for all entities. The Company strengthened the control of major risks, organising comprehensive investigations on potential and existing major risks at all levels. For identified major influencing factors and risk sources, the Company formulated corresponding control implementation plans and carried out continuous tracking and control. The Company coordinated the evaluation of the "big risk control" system, formulated the "Work Plan for Operation Evaluation of Big Risk Control System", established a contact point work mechanism, and used various methods such as questionnaires and targeted investigations to carry out operational evaluations at all levels, to promote the effective implementation of the "big risk control" work level by level. As planned, the Company completed internal control evaluations and supervisory tasks at all levels, and actively organised the rectification of internal control deficiencies, to ensure timeliness and improvement of effectiveness for the rectifications. During the Reporting Period, the Company completed 3,695 audit items throughout the year, completing 120% of the annual plan of 3,060 items. Additionally, 482 systems were improved.

Indicators	Unit	2023
Develop audit supervision system	<i>Item</i>	2
Meetings held by the Audit and Risk Management Committee	<i>Item</i>	8
Resolutions approved by the Audit and Risk Management Committee	<i>Item</i>	25

Section VI Environmental and Social Responsibility (continued)

2. The principle and scope of reporting

CRCC incorporates the concept of sustainable development into its corporate strategy and throughout every business process, continuously improves the ESG governance structure and operation mechanism, actively responds to the demands and expectations of stakeholders, and strives to fulfil its social responsibilities.

(1) Communication with stakeholders

The Company values maintaining close communication with stakeholders such as customers, employees, and investors. By opening multi-channel communication mechanism, the Company deeply understands the expectations and demands of stakeholders, and engages in honest communication and collaborative development with the stakeholders, to continuously optimize and adjust its ESG strategy and create more value for stakeholders. See below for the stakeholders and responsible communication methods identified by the Company:

Stakeholders	Expectations and requirements	Communication mechanism and methods
Government (PRC government and local government of business operation locations)	<ul style="list-style-type: none"> Compliance with relevant laws and regulations Increase in tax Employment promotion Technology innovation Building national brand 	<ul style="list-style-type: none"> Attending relevant meetings Special reports, statistical reports, information submission
SASAC	<ul style="list-style-type: none"> Continuously improve profitability and core competitiveness Comprehensive risk management Ensure value preservation and appreciation of state-owned assets 	<ul style="list-style-type: none"> Implementing relevant document requirements Attending meetings and implementing the spirit of the meetings Regular reporting Regular communication and submission of reports by competent business departments
Investors and financial institutions	<ul style="list-style-type: none"> Enhancement of value and market value Reduce enterprise risk Ensure sustainable development Integral performance 	<ul style="list-style-type: none"> Regular and interim reports General meetings and meetings with investors Contract execution Regular visits Daily communication between business personnel
Owners and customers	<ul style="list-style-type: none"> Provide high-quality, affordable products and services and continue to improve 	<ul style="list-style-type: none"> Contract execution High-level meetings Document and correspondence Owners evaluation and management Bidding management Daily communication

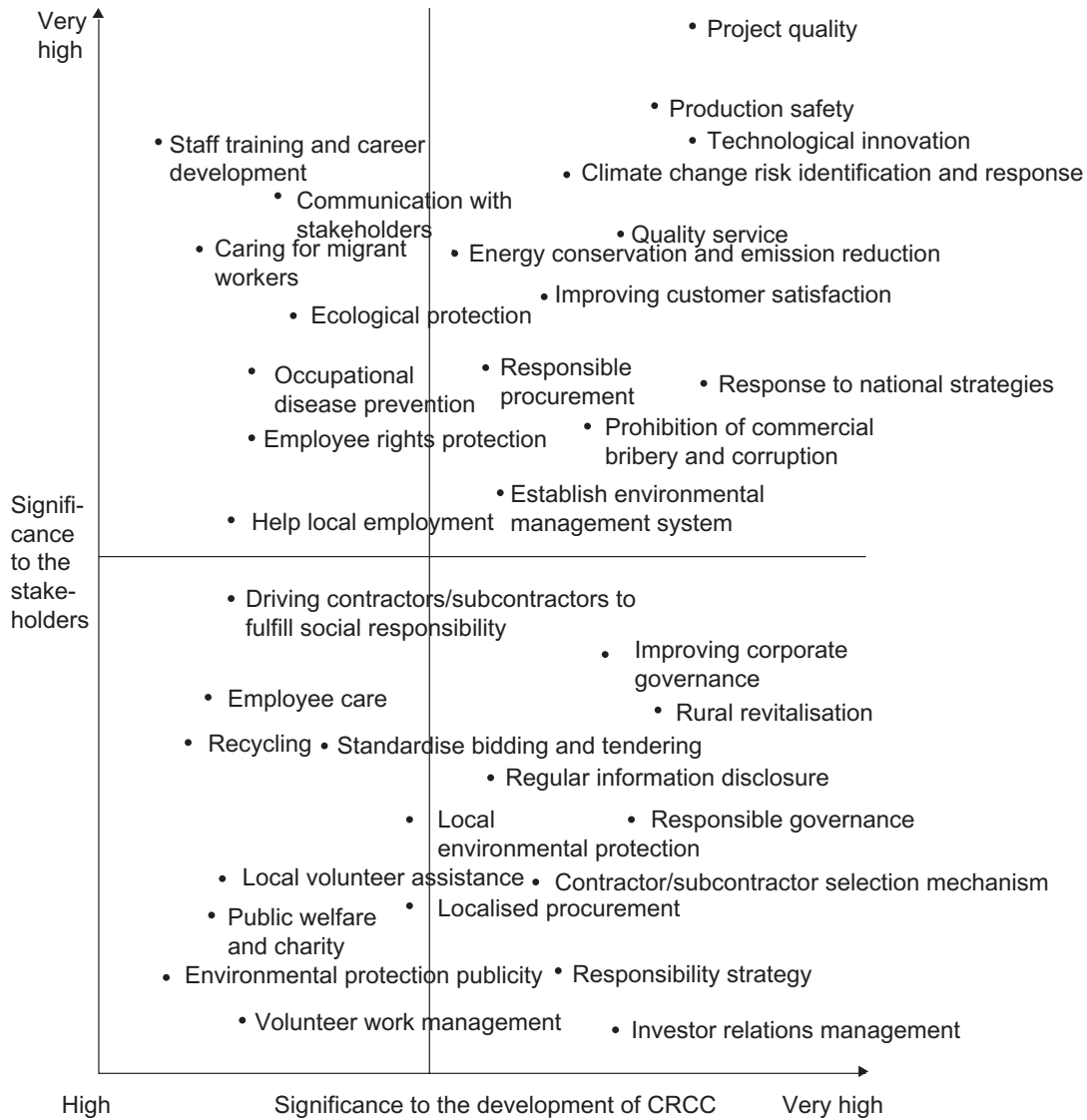
Section VI Environmental and Social Responsibility (continued)

Stakeholders	Expectations and requirements	Communication mechanism and methods
Suppliers and subcontractors	<ul style="list-style-type: none"> • Stable cooperation relationship • Reasonable price • Mutual assistance and win-win 	<ul style="list-style-type: none"> • Bidding and business negotiation • Contract execution, business correspondence • Irregular communication
Partners	<ul style="list-style-type: none"> • Resource sharing • Win-win cooperation • Long-term stable communication 	<ul style="list-style-type: none"> • Execution of agreements and contracts • High-level visits • Regular meetings • Multi-channel cooperation and research
Employees	<ul style="list-style-type: none"> • Provide good remuneration and benefits • Provide training and growth opportunities • Provide good working environment 	<ul style="list-style-type: none"> • Negotiation and exchange • Employee Supervisor • Seeking reasonable suggestions • Daily work communication
Trade union	<ul style="list-style-type: none"> • Meet the requirements of the trade union • Respect for labour rights • Protect the legitimate rights and interests of employees 	<ul style="list-style-type: none"> • Workers' Congress • Right to participate in major decisions of the Company • Regular communication between union representatives and contact persons
Environment	<ul style="list-style-type: none"> • Supporting "Carbon Peaking, Carbon Neutrality" • Reduce three wastes and save resources • Ecological protection • Environmental public welfare 	<ul style="list-style-type: none"> • Information disclosure • Project environmental and social risk assessment • Green design • Green construction • Green office • Green development
Community	<ul style="list-style-type: none"> • Civilized production • Build a harmonious and prosperous community 	<ul style="list-style-type: none"> • Civilization co-building • Participation in community welfare activities
Individuals, groups and media interested in the Company	<ul style="list-style-type: none"> • Be a responsible enterprise to achieve sustainable development 	<ul style="list-style-type: none"> • Disclosure of information in accordance with laws • Press conference • News reporting and publicity

Section VI Environmental and Social Responsibility (continued)

(2) Identification of substantive issues

To understand stakeholders' concerns, expectations, and demands regarding the Company's sustainable development, as well as to evaluate the effectiveness of internal management, the Company conducted an external environmental scan and internal business analysis based on authoritative domestic and international social responsibility standards, government policy requirements, benchmarking with advanced enterprises, and the Company's own development plan, organised internal assessments from two dimensions: the degree of stakeholder attention to the issues and their impact on CRCC. An importance issue matrix was drawn, and subsequently, important issues were selected and submitted to the Board for consideration and approval, which may then serve as the objectives and directions for our ESG management work.



Section VI Environmental and Social Responsibility (continued)

The scope of the report covered China Railway Construction Corporation Limited and its subordinate organisations, without changes in the report scope. No changes were made to the key performance indicators used in the statistical methods. Numerical calculations for the environmental section were primarily based on the “Guidelines for the Preparation of Provincial Greenhouse Gas Inventory” (issued by the National Development and Reform Commission in 2011 to address climate change), “Research on Chinese Greenhouse Gas Inventory” (issued by the National Climate Change Countermeasures Coordination Office and the Energy Research Institute of the National Development and Reform Commission in 2007), and the “2014 Baseline Emission Factors for Chinese Regional Power Grids” released by the National Development and Reform Commission.

For details regarding the Group's corporate governance, please refer to “Section V Corporate Governance (Corporate Governance Report)” in this report.

Section VII Significant Events

I. THE PERFORMANCE OF UNDERTAKINGS

(I) Undertakings during or continued to the Reporting Period by actual controller, shareholders, related parties, acquirers, the Company and other relevant parties

Applicable Not Applicable

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time of undertakings	Is there a term for fulfilment	Term of undertakings	Is there timely and strict fulfilment	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
Undertaking related to the share reform									
Undertakings in acquisition report or report on changes in equity									
Undertakings associated with major asset reorganisation									
Undertakings associated with IPO									
Undertakings associated with refinancing	Others	China Railway Construction Corporation	If CRCC violates the laws and regulations due to failure in disclosing idle land or other reasons, causing loss to CRCC and its investors, China Railway Construction Corporation shall bear the civil liability of compensation for CRCC and its investors pursuant to the laws. For more details, please refer to relevant announcements published on 13 May 2015 and 3 June 2015 by the Company, on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).	2 June 2015	No	Long-term	Yes		
	Others	Directors and senior management	If CRCC violates the laws and regulations due to failure in disclosing idle land or other reasons, causing loss to CRCC and its investors, the directors and senior management shall bear the civil liability of compensation for CRCC and its investors pursuant to the laws. For more details, please refer to relevant announcements published on 13 May 2015 and 3 June 2015 by the Company, on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).	2 June 2015	No	Long-term	Yes		

Section VII Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time of undertakings	Is there a term for fulfilment	Term of undertakings	Is there timely and strict fulfilment	If the undertaking fails to be fulfilled in due time, please explain the reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
Undertaking associated with share incentive									
Other undertaking made to minority shareholders of the Company									
Other undertaking	Resolving ownership defects of lands and other properties	China Railway Construction Corporation	Obtaining land certificate and property ownership certificate, covering the costs of obtaining the aforesaid certificates and losses caused thereby. For more details, please refer to relevant announcements published on 29 March 2014 and 19 June 2014 by the Company, on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).	18 June 2014	No	Long-term	Yes		

Section VII Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time of undertakings	Is there a term for fulfilment	Term of undertakings	Is there timely and strict fulfilment	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
Shares subject to restriction of sales		China Railway Construction Corporation	For undertakings on the spin-off and listing of the restricted sales of shares of CRCHI, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) ((中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, Announcement on the Resolutions of the Second Extraordinary General Meeting of Shareholders of China Railway Construction Corporation Limited in 2020 ((中國鐵建股份有限公司2020年第二次臨時股東大會決議公告)) on 29 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited ((中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021. The Company issued the Commitment Letter Regarding the Voluntary Extension of Lock-up Period for Restricted Shares ((關於自願延長所持限售股份鎖定期限的承諾函)) to CRCHI on 18 October 2023. The Company voluntarily extended the lock-up period for its CRCHI shares by 12 months. For more details, please refer to the announcement titled Announcement of China Railway Construction Heavy Industry Corporation Limited on the Voluntary Extension of Lock-up Period for Restricted Shares by Controlling Shareholder ((中國鐵建重工集團股份有限公司關於控股股東自願延長限售股份鎖定期公告)) published on the website of Shanghai Stock Exchange (www.sse.com.cn) on 19 October 2023.	28 April 2020, 18 October 2023	Yes	Within 48 months from the listing of CRCHI	Yes		

Section VII Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time of undertakings	Is there a term for fulfilment	Term of undertakings	Is there timely and strict fulfilment	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
	Others	The Company	For undertakings on the spin-off and listing of the restricted sales of shares of CRCHI and stabilizing the stock price, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) ((中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿))) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, Announcement on the Resolutions of the Second Extraordinary General Meeting of Shareholders of China Railway Construction Corporation Limited in 2020 ((中國鐵建股份有限公司2020年第二次臨時股東大會決議公告)) on 29 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited ((中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書)) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021. The Company issued the Commitment Letter Regarding the Voluntary Extension of Lock-up Period for Restricted Shares ((關於自願延長所持限售股份鎖定期限的承諾函)) to CRCHI on 18 October 2023. The Company voluntarily extended the lock-up period for its CRCHI shares by 12 months. For more details, please refer to the announcement titled Announcement of China Railway Construction Heavy Industry Corporation Limited on the Voluntary Extension of Lock-up Period for Restricted Shares by Controlling Shareholder ((中國鐵建重工集團股份有限公司關於控股股東自願延長限售股份鎖定期限的公告)) published on the website of Shanghai Stock Exchange (www.sse.com.cn) on 19 October 2023.	28 April 2020, 18 October 2023	Yes	Within 48 months from the listing of CRCHI	Yes		
	Others	The Company	For undertakings on the spin-off and listing of the purpose of intention and reduction of shareholding of shares after the end of the shares lock-up period of CRCHI, please find more details in the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited ((中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書)) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	16 June 2021	Yes	Within 2 years from the end of lock-up period	Yes		

Section VII Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time of undertakings	Is there a term for fulfilment	Term of undertakings	Is there timely and strict fulfilment	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
	Others	China Railway Construction Corporation	For undertakings on the authenticity, accuracy and completeness of spin-off and listing of the restricted sales of shares of CRCHI, undertakings on no fraudulent issuance of shares buyback, undertakings on no misrepresentations or misleading statements contained in, or material omissions in the Prospectus, Letter of Undertaking to Make up for Diluted Immediate Returns, Letter of Undertaking to Reduce and Regulate Related Party Transactions, undertakings on binding measures in the event of not observing undertakings, the Letter of Undertaking to Avoid Horizontal Competition, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, Announcement on the Resolutions of the Second Extraordinary General Meeting of Shareholders of China Railway Construction Corporation Limited in 2020 (《中國鐵建股份有限公司2020年第二次臨時股東大會決議公告》) on 29 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	28 April 2020	No	Long-term	Yes		

Section VII Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time of undertakings	Is there a term for fulfilment	Term of undertakings	Is there timely and strict fulfilment	If the undertaking fails to be fulfilled in due time, please explain the reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
	Others	The Company	For undertakings on the authenticity, accuracy and completeness of spin-off and listing of the restricted sales of shares of CRCHI, the undertakings on reduction of shareholding of shares, no fraudulent issuance of shares buyback, there are no misrepresentations or misleading statements contained in, or material omissions in the Prospectus, Letter of Undertaking to Make up for Diluted Immediate Returns, Letter of Undertaking to Reduce and Regulate Related Party Transactions, undertakings on binding measures in the event of not observing undertakings, the Letter of Undertaking to Avoid Horizontal Competition, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, Announcement on the Resolutions of the Second Extraordinary General Meeting of Shareholders of China Railway Construction Corporation Limited in 2020 (《中國鐵建股份有限公司2020年第二次臨時股東大會決議公告》) on 29 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	28 April 2020	No	Long-term	Yes		
	Others	Directors, supervisors and senior management of the Company	For undertakings on the authenticity, accuracy and completeness of spin-off and listing of the restricted sales of shares of CRCHI, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020 and the Announcement on the Resolutions of the Second Extraordinary General Meeting of Shareholders of China Railway Construction Corporation Limited in 2020 (《中國鐵建股份有限公司2020年第二次臨時股東大會決議公告》) on 29 April 2020.	28 April 2020	No	Long-term	Yes		

Section VII Significant Events (continued)

- (II) **Where the Company has profit forecasts on assets or projects, and the Reporting Period was within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor**

Achieved Not achieved Not Applicable

- (III) **Fulfilment of performance undertaking and impact on goodwill impairment test**

Applicable Not Applicable

II. THE CONTROLLING SHAREHOLDER OF THE COMPANY OR ITS ASSOCIATES HAS MISAPPROPRIATED THE COMPANY'S FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS DURING THE REPORTING PERIOD

Applicable Not Applicable

III. NON-COMPLIED GUARANTEES

Applicable Not Applicable

IV. EXPLANATION FROM THE BOARD OF DIRECTORS OF THE COMPANY ON "NON-STANDARD AUDITORS' REPORT" ISSUED BY THE AUDITORS

Applicable Not Applicable

V. ANALYSIS AND EXPLANATION FROM THE COMPANY ON THE REASONS AND IMPACT OF THE CHANGE OF ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR CORRECTION ON SIGNIFICANT ACCOUNTING ERRORS

- (I) **Analysis and explanation from the Company on the reasons and impact of the change of accounting policies or accounting estimates**

Applicable Not Applicable

On 11 November 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Business Enterprises, which sets out the accounting treatment for the exemption from initial recognition of deferred income taxes related to multiple assets and liabilities arising from a single transaction. The Group implemented this regulation on 1 January 2023. The retrospective restatement method has been applied for the purpose of accounting treatment for single transactions occurring between the beginning of the earliest period for which the financial statements are presented and 1 January 2023, and the financial statements for comparative periods, have been restated. The above adjustments did not have a material impact on the Group's financial statements.

- (II) **Analysis and explanation from the Company on reasons and impact of the correction on significant accounting errors**

Applicable Not Applicable

Section VII Significant Events (continued)

(III) Communication with the previous accounting firm

Applicable Not Applicable

(IV) Approval procedures and other explanation

Applicable Not Applicable

VI. INFORMATION IN RELATION TO THE REVIEW ON THE ANNUAL RESULTS BY AUDIT AND RISK MANAGEMENT COMMITTEE

(I) Information in relation to the review on the financial statements by the Audit and Risk Management Committee

In accordance with the Terms of Reference of the Audit and Risk Management Committee of the Board of Directors of China Railway Construction Corporation Limited and the regulatory requirements, during the Reporting Period, the Audit and Risk Management Committee actively supervised and evaluated the work of the external auditors. The Committee provided timely and effective supervision and evaluation throughout the planning, progress, and concluding stages of the annual audit conducted by the accounting firm, earnestly carried out the review of the Company's annual and interim reports, and provided professional advice and suggestions on the preparation of periodic reports.

The schedule on the review of the Company's annual financial report was negotiated and determined by the Audit and Risk Management Committee of the Board of Directors with the accounting firm for annual audit. Before the accounting firm for annual audit officially started the audit, the Audit and Risk Management Committee reviewed the annual financial statements prepared by the Company, and formed a written opinion. After the accounting firm for annual audit started the audit, the Audit and Risk Management Committee strengthened communication with the accounting firm for annual audit. After the accounting firm for annual audit issued the preliminarily audit opinion, the Audit and Risk Management Committee once again reviewed the Company's annual financial statements and formed a written opinion. The Audit and Risk Management Committee voted on the annual financial statements, formed a resolution and submitted it to the Board for review. The financial statements of the Company for the year ended 31 December 2023 were reviewed at the twentieth meeting of the Audit and Risk Management Committee of the fifth session of the Board of Directors of the Company on 26 March 2024.

(II) The situation on that the Audit and Risk Management Committee reviewed the important matters involved in the "key audit matters" in the Auditor's Report

The Audit and Risk Management Committee heard the report of Deloitte Touche Tohmatsu CPA LLP on the progress of the audit on 2023 annual report of the Company, reviewed the "key audit matters" in the auditor's Report, and agreed with the judgment of Deloitte Touche Tohmatsu CPA LLP on the "key audit matters" and the audit procedures implemented.

Section VII Significant Events (continued)

VII. APPOINTMENT AND REMOVAL OF AUDITORS

Unit: '0,000 Currency: RMB

Existing Auditors	
Name of domestic auditors	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration of domestic auditors	2,996
Term of the domestic auditors for audit services	7 years
CPA name of the domestic auditors	Chen Xi, Shi Xiao
Accumulated term of the domestic auditors for audit services	Chen Xi: 1 year, Shi Xiao: 2 years

Unit: '0,000 Currency: RMB

	Name	Remuneration
The auditors for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	216

Explanation on appointment and removal of auditors

Applicable Not Applicable

1. Pursuant to relevant requirements of the Ministry of Finance of the PRC, the CSRC and the Hong Kong Stock Exchange Listing Rules, a company incorporated in Mainland China and listed on the Hong Kong Stock Exchange is permitted to adopt the PRC GAAP Standards to prepare its financial statements and to engage a domestic accounting firm recognised by the Ministry of Finance and the CSRC to provide relevant services according to the PRC auditing standards since 15 December 2010. Therefore, the Company appointed only one auditor as its external auditor starting from the financial year of 2011, with no division of domestic and overseas.
2. During the Reporting Period, the Company did not replace its auditor. In any of the past three years, the Company has not changed its accounting firm. From 2017 to 2023, the Company appointed Deloitte Touche Tohmatsu CPA LLP as the external auditor of the Company for seven years.

Section VII Significant Events (continued)

3. As considered and approved at the 2022 Annual General Meeting of the Company on 28 June 2023, the Company reappointed Deloitte Touche Tohmatsu CPA LLP as the external auditor for 2023 to audit the 2023 financial statements of the Company, review the 2023 interim financial statements, and audit the 2023 internal control. During the Reporting Period, fees for 2023 interim review, financial statements audit and relevant services paid by the Company for 2023 to Deloitte Touche Tohmatsu CPA LLP amounted to RMB29,960,000 and fees for 2023 audit of internal control and related services paid by the Company to Deloitte Touche Tohmatsu CPA LLP amounted to RMB2,160,000.
4. In accordance with Article 20ZT of the Hong Kong Financial Reporting Council Ordinance (Cap. 588), Deloitte Touche Tohmatsu Certified Public Accountants LLP is an eligible external audit firm.

Explanations on replacement of auditors during the audit period

Applicable Not Applicable

Explanation of audit fees decreasing by more than 20% (including 20%) compared to the previous year

Applicable Not Applicable

VIII. SITUATION FOR RISK OF DELISTING

(I) Causes of delisting risk warning

Applicable Not Applicable

(II) Measures to be taken by the Company

Applicable Not Applicable

(III) Situation and causes for termination of listing

Applicable Not Applicable

Section VII Significant Events (continued)

IX. MATTERS RELATING TO INSOLVENCY OR RESTRUCTURING

Applicable Not Applicable

X. MATERIAL LITIGATION AND ARBITRATION

There existed material litigation and arbitration during the Reporting Period No material litigation and arbitration occurred during the Reporting Period

XI. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, ACTUAL CONTROLLER SUSPECTED OF VIOLATING LAWS AND REGULATIONS

Applicable Not Applicable

XII. EXPLANATION ON CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

Applicable Not Applicable

XIII. BANKING FACILITIES DURING THE REPORTING PERIOD

As at 31 December 2023, the Group has already obtained the banking facilities from several domestic and overseas banks of up to RMB2,323.9658 billion, of which an amount of RMB918.9557 billion has been utilised.

Section VII Significant Events (continued)

XIV. MATERIAL RELATED-PARTY TRANSACTIONS

(I) Non-exempt continuing connected transactions (disclosure pursuant to the requirements of the Hong Kong Stock Exchange Listing Rules)

- Continuing connected transactions under the Services Provision Framework Agreement between the Company and the Controlling Shareholder

The Controlling Shareholder and its associates, retained certain ancillary operations in the process of the re-structuring and listing of the Company. Following the listing of the H shares of the Company on the Hong Kong Stock Exchange, these ancillary operations continued to provide ancillary construction survey and design services to the Company and/or its subsidiaries. In order to regulate the above continuing connected transactions between the Group and the Controlling Shareholder, the Company and the Controlling Shareholder entered into the Services Mutual Provision Framework Agreement (as supplemented by a supplemental agreement dated 29 January 2008) on 5 November 2007, and set the relevant annual caps for the continuing connected transactions contemplated thereunder.

The Services Provision Framework Agreement and the continuing connected transactions contemplated thereunder were renewed on 28 December 2009, 28 December 2012, 28 December 2015, 13 December 2018 and 21 December 2021, in order to regulate the continuing connected transactions for purchase of related services by the Group from the Controlling Shareholder and/or its associates. The Company and the Controlling Shareholder renewed the Services Provision Framework Agreement on 21 December 2021 for a term from 1 January 2022 to 31 December 2024, and set the annual caps of the continuing connected transactions thereunder for the three years ending 31 December 2024.

Set out below are the approved annual cap and actual amount of transaction in relation to non-exempt continuing connected transactions under the aforementioned Services Provision Framework Agreement by the Group and the Controlling Shareholder and/or its associates for the year ended 31 December 2023:

Unit: '000 Currency: RMB

Nature of transaction	Annual cap for 2023	Consolidated amount of transaction of the Group in 2023
Expenditure payable by the Group in respect of the services provided by the Controlling Shareholder and/or its associates under the Services Provision Framework Agreement	2,000,000	692,018

Section VII Significant Events (continued)

2. Continuing connected transaction under the Property Leasing Framework Agreement and its supplementary agreement between the Company and the Controlling Shareholder

The Company entered into the Property Leasing Framework Agreement (as supplemented by a supplemental agreement dated 28 December 2012) with the Controlling Shareholder on 5 November 2007, for a term of 10 years from 5 November 2007. The principal term of the Property Leasing Framework Agreement is that the Controlling Shareholder and/or its related parties/associates have agreed to lease certain of their lawfully owned properties (hereinafter as “Leased Properties”) to the Company and/or its subsidiaries on the terms and conditions set out in the Property Leasing Framework Agreement, and the Company and/or its subsidiaries have agreed to pay consideration for the lease of the Leased Properties as provided for under the Property Leasing Framework Agreement.

The above Property Leasing Framework Agreement (as supplemented by a supplemental agreement dated 28 December 2012) was renewed on 30 October 2017, 18 December 2019 and 28 October 2022. Given that the framework agreement entered into by the Company and the Controlling Shareholder on 28 October 2022, and the annual caps determined for the connected transactions thereunder would expire on 31 December 2023, in order to facilitate the supervision of the connected transactions in respect of the Group’s leasing properties from the Controlling Shareholder and/or its related parties/its associates from time to time, on 30 October 2023, the Company and the Controlling Shareholder renewed the framework agreement on the same terms as the continuing connected transactions for a term from 1 January 2024 to 31 December 2024, and also set the annual caps for the continuing connected transactions thereunder for the year ending 31 December 2024.

Besides, the Company entered into the Land Use Rights Leasing Framework Agreement with the Controlling Shareholder on 5 November 2007, for a term of 20 years from 5 November 2007. The principal term of Land Use Rights Leasing Framework Agreement is that the Controlling Shareholder and/or its related parties/associates have agreed to lease certain of their lawfully owned land use rights to the Company and/or its subsidiaries on the terms and conditions set out in the Land Use Rights Leasing Framework Agreement, and the Company and/or its subsidiaries agreed to pay the consideration as provided for under the Land Use Rights Leasing Framework Agreement.

Section VII Significant Events (continued)

Set out below are the approved annual cap and actual amount of transaction of the non-exempt continuing connected transactions under the Property Leasing Framework Agreement and the Land Use Rights Leasing Framework Agreement for the year ended 31 December 2023:

Unit: '000 Currency: RMB

Nature of the transaction	Annual cap for 2023	Consolidated amount of transaction of the Group in 2023
Expenditure payable by the Group in respect of the lease of property and land use rights provided by the Controlling Shareholder and/or its associates under the Property Leasing Framework Agreement and the Land Use Rights Leasing Framework Agreement	200,000	133,678

3. Continuing connected transactions under the Financial Services Agreement between CRCC Finance Company Limited and the Controlling Shareholder

CRCC Finance Company Limited (hereinafter referred to as “CRCC Finance”), a subsidiary of the Company, and the Controlling Shareholder renewed the Financial Services Agreement and continuing connected transactions thereunder on 25 January 2016, 13 December 2018 and 21 December 2021, in order to regulate continuing connected transactions in respect of deposit, loan, clearing and other financial services provided by CRCC Finance to the Controlling Shareholder and/or its associates. CRCC Finance and the Controlling Shareholder renewed the Financial Services Agreement on 21 December 2021, with a term from 1 January 2022 to 31 December 2024, and determined the annual caps of continuing connected transactions thereunder for the three years ending 31 December 2024. According to the Financial Services Agreement entered into on 21 December 2021, CRCC Finance shall provide the following financial services to the Controlling Shareholder and its subsidiaries:

Deposit Services: For the deposits of the Controlling Shareholder and its subsidiaries at CRCC Finance, the floating range of interest rates shall be subject to the requirements of the interest rates for the same kind of deposits for the same period offered by the People’s Bank of China, and shall not be higher than the applicable interest rates offered by major commercial banks in the PRC for the same kind of deposits services within the same period. During the valid period of the agreement, the interest payment which CRCC Finance would pay every year for the deposits received from China Railway Construction Corporation and its subsidiaries shall not exceed RMB105 million.

Section VII Significant Events (continued)

Loan Services: In compliance with the relevant PRC's laws and regulations, CRCC Finance shall provide the Controlling Shareholder and its subsidiaries with loan services according to the operational and development needs of the Controlling Shareholder. The loan interest rates paid by the Controlling Shareholder and its subsidiaries shall not be lower than the applicable interest rates offered by major commercial banks in the PRC for the same type of loan services within the same period. During the term of the agreement, the daily balance of loans which the Controlling Shareholder and its subsidiaries obtain from CRCC Finance shall not exceed RMB4,000 million, and the interest of the loans received every year shall not exceed RMB154 million.

Clearing Services: CRCC Finance shall provide the Controlling Shareholder and its subsidiaries with collection and payment services and other auxiliary services in relation to settlement business based on the Controlling Shareholder's orders. CRCC Finance shall charge not less than the fee scale of normal commercial banks. The annual service fees shall not exceed RMB50 million.

Other Financial Services: The provision of other financial services by CRCC Finance to the Controlling Shareholder and its subsidiaries shall comply with the fee scale of the People's Bank of China or the China Banking and Insurance Regulatory Commission, and the service fees shall not be less than the fee scale for same type of service projects from major financial institutions in the PRC. The annual service fees charged shall not exceed RMB50 million.

Set out below are approved annual caps and actual amount of transaction of the non-exempt continuing connected transactions under the Financial Services Agreement for the year ended 31 December 2023:

Unit: '000 Currency: RMB

Nature of transaction	Annual cap for 2023	Consolidated amount of transaction of the Group in 2023
Deposit Services – Interest expenses on deposits taken	105,000	27,693
Loan Services – Daily loan balance	4,000,000	3,075,000
Loan Services – Interest income from loan disbursements	154,000	39,423
Clearing Services	50,000	53
Other Financial Services	50,000	102

The proposed annual caps of the continuing connected transactions mentioned in paragraphs 1, 2 and 3 above were determined based on the estimated amount of transactions involved with reference to the historical transaction volumes. For details of the abovementioned continuing connected transactions, please refer to the announcements of continuing connected transactions of the Company dated 21 December 2021, 28 October 2022 and 30 October 2023.

Section VII Significant Events (continued)

Independent non-executive directors of the Company have reviewed such non-exempt continuing connected transactions mentioned in paragraphs 1, 2 and 3 above and confirmed that:

- (i) The above connected transactions were conducted by the Group in the ordinary course of business;
- (ii) The terms of the above connected transactions were fair and reasonable, and in the interest of the shareholders as a whole;
- (iii) The above connected transactions were conducted upon normal commercial terms or, where comparisons were available, on terms no less favorable than those available from/to independent third parties;
- (iv) The above connected transactions were conducted in accordance with the terms of the agreements governing such transactions.

The Company's auditors had provided a letter to the Board stating the following with respect to the non-exempt continuing connected transactions mentioned in paragraphs 1, 2 and 3 above:

- (i) Nothing had come to the auditors' attention that had caused them to believe that the continuing connected transactions as disclosed had not been approved by the Board;
- (ii) In respect of the continuing connected transactions relating to the provision of goods and services by the Group, nothing had come to the auditors' attention that caused them to believe that such transactions had not been conducted in accordance with the pricing policy of the Company in all material aspects;
- (iii) Nothing had come to the auditors' attention that caused them to believe that such transactions had not complied with the terms of the relevant transactions in all material aspects;
- (iv) Nothing had come to the auditors' attention that caused them to believe that the continuing connected transactions as disclosed had exceeded the 2023 annual caps set out in the continuing connected transactions announcements dated 21 December 2021 and 28 October 2022, respectively.

Save as to the above, details of the related party transactions of the Company for the year ended 31 December 2023 are set out in Note X to the financial statements of this report. Except for the related party transactions between the Company and joint ventures and associates set out in Note X, all related party transactions are connected transactions of the Company under Chapter 14A of the Hong Kong Stock Exchange Listing Rules. The Company confirms that the Company has complied with the applicable disclosure requirements under Chapter 14A of the Hong Kong Stock Exchange Listing Rules in relation to such related party transactions.

Section VII Significant Events (continued)

(II) Related party transactions in relation to the ordinary operations

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable Not Applicable

Summary of the event	Document for inspection
<p>The 49th meeting of the third session of the Board of the Company was held on 30 October 2017. At the meeting, the Renewal of the Property Leasing Framework Agreement and the Resolution in Relation to the Determination of the Caps of Continuing Connected Transactions for 2018–2019 were considered and approved; the Company was approved to renew the Property Leasing Framework Agreement with the Controlling Shareholder and to determine the related transaction caps. According to the Property Leasing Framework Agreement entered into between the Company and the Controlling Shareholder, the annual transaction caps of expenditures in respect of leasing of all properties and lands by the Controlling Shareholder shall not exceed RMB300 million. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the process review by the Board, independent non-executive directors also gave independent opinions for approving the resolution. The 31st meeting of the fourth session of the Board of the Company was held on 18 December 2019. At the meeting, the Renewal of the Property Leasing Framework Agreement and the Resolution in Relation to the Determination of the Caps of Continuing Connected Transactions for 2020–2022 was considered and approved; the Company was approved to renew the Property Leasing Framework Agreement and to determine the related transaction caps. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the review process by the Board, independent non-executive directors of the Company also gave independent opinions for approving the resolution. The eleventh</p>	<p>For details, please refer to the announcements of the Company dated 31 October 2017, 19 December 2019, 28 October 2022 and 30 October 2023 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).</p>

Section VII Significant Events (continued)

Summary of the event**Document for inspection**

meeting of the fifth session of the Board of the Company was held on 28 October 2022. At the meeting, the Renewal of the Property Leasing Framework Agreement for 2023 and the Resolution in Relation to the Determination of the Caps of Continuing Related (Connected) Transactions for 2023 was considered and approved; the Company was approved to renew the Property Leasing Framework Agreement and to determine the related transaction caps. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the review process by the Board, independent non-executive directors of the Company also gave independent opinions for approving the resolution. The 20th meeting of the fifth session of the Board of the Company was held on 30 October 2023. At the meeting, the Renewal of the Property Leasing Framework Agreement for 2024 and the Resolution in Relation to the Determination of the Caps of Continuing Related (Connected) Transactions for 2024 was considered and approved; the Company was approved to renew the Property Leasing Framework Agreement and to determine the related transaction caps. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the review process by the Board, independent non-executive directors of the Company also gave independent opinions for approving the resolution.

Section VII Significant Events (continued)

Summary of the event	Document for inspection
<p>The Company convened the 12th meeting of the fourth session of the Board on 30 October 2018, which considered and approved the Resolution on Adjustment to Annual Cap for Daily Connected Transactions for 2018, and agreed to adjust the cap for daily connected transactions under the Service Provision Framework Agreement entered into with the Controlling Shareholder. The Company convened the 14th meeting of the fourth session of the Board on 13 December 2018, which considered and approved the Resolution on Renewal of Service Provision Framework Agreement and Proposed Caps for Continuing Connected Transactions for 2019–2021. Pursuant to the Service Provision Framework Agreement entered into between the Company and the Controlling Shareholder, the annual transaction amount for 2019–2021 shall not exceed RMB2,000,000,000. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the process review by the Board, independent non-executive directors also gave independent opinions for approving the resolution. The Company convened the first meeting of the fifth session of the Board on 21 December 2021, which considered and approved the Resolution on Renewal of Service Provision Framework Agreement and Proposed Caps for Continuing Connected Transactions for 2022–2024, pursuant to which, the annual transaction amount for 2022–2024 shall not exceed RMB2,000,000,000. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the process review by the Board, independent non-executive directors also gave independent opinions for approving the resolution.</p>	<p>For details, please refer to the announcements of the Company dated 31 October 2018, 14 December 2018 and 21 December 2021 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).</p>

Section VII Significant Events (continued)

Summary of the event	Document for inspection
<p>The 14th meeting of the fourth session of the Board of the Company was held on 13 December 2018. At the meeting, the Resolution on Renewal of the Financial Services Agreement and Determination of Caps of Continuing Connected Transactions from 2019 to 2021 was considered and approved; CRCC Finance Company Limited, being a subsidiary controlled by the Company, was approved to renew the Financial Services Agreement with the Controlling Shareholder, and provide deposit, loan, clearing and other financial services to the Controlling Shareholder and its subsidiaries (excluding the Company) based on the agreement. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the review process by the Board, independent non-executive directors of the Company also gave independent opinions for approving the resolution. The first meeting of the fifth session of the Board of the Company was held on 21 December 2021. At the meeting, the Resolution on Renewal of the Financial Services Agreement and Determination of Caps of Continuing Connected Transactions from 2022 to 2024 was considered and approved; CRCC Finance Company Limited, being a subsidiary controlled by the Company, was approved to renew the Financial Services Agreement with the Controlling Shareholder, and provide deposit, loan, clearing and other financial services to the Controlling Shareholder and its subsidiaries (excluding the Company) based on the agreement. Before submission to the Board for review, the resolution has been approved by independent non-executive directors of the Company; in the review process by the Board, independent non-executive directors of the Company.</p>	<p>For details, please refer to the announcements of the Company dated 14 December 2018 and 21 December 2021 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).</p>

Section VII Significant Events (continued)

During the Reporting Period, the abovementioned related-party transactions in relation to ordinary operations have been conducted in accordance with provisions of the agreements, and no change has been made. During the Reporting Period, actual execution of the abovementioned related party transactions is as follows:

(1) *Related-party transactions with the Controlling Shareholder in relation to ordinary operations of the Group*

Unit: '000 Currency: RMB

Related party	Related party transactions type	Related party transactions content	Pricing principle of related party transactions	Related party transactions price	Related party transactions amount	Proportion in similar transactions (%)	Settlement method of related party transactions	Market price	Reason for the difference between transaction price and market price
12 companies including Shaanxi Railway Engineering Investigation Co.,Ltd	Expenditure for labour service	Planning, design and consultation operations	Agreement pricing	-	692,018	0.07	Cash	-	-
Controlling Shareholder and associates	Property leasing expense	Property lease	Agreement pricing	-	133,678	0.01	Cash	-	-

(2) *Continuing related-party transactions between CRCC Finance and the Controlling Shareholder*

Please see "Claims and liabilities between related parties" in XIV (V) of this section for details.

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable Not Applicable

3. Events not disclosed in the temporary announcements

Applicable Not Applicable

Section VII Significant Events (continued)

(III) Related-party transactions from acquisition and disposal of assets and equity interests

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation
 Applicable Not Applicable
2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation
 Applicable Not Applicable
3. Events not disclosed in the temporary announcements
 Applicable Not Applicable
4. Realisation of performance during Reporting Period shall be disclosed if there's stipulation on performance
 Applicable Not Applicable

(IV) Significant related-party transactions on the joint external investment

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation
 Applicable Not Applicable
2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation
 Applicable Not Applicable
3. Events not disclosed in the temporary announcements
 Applicable Not Applicable

Section VII Significant Events (continued)

(V) Claims and liabilities between related parties

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable Not Applicable

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable Not Applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Provision of funds to related party by the listed company			Provision of funds to the listed company by related party		
		Beginning balance	Accrual	Ending balance	Beginning balance	Accrual	Ending balance
China Railway Construction Corporation ^{Note 1}	Controlling Shareholder	1,400,000	250,000	1,650,000	1,297,366	125,910	1,423,276
China Railway Construction Corporation ^{Note 2}	Controlling Shareholder	-	-	-	292,709	-125,730	166,979
China Railway Jinli Assets Management Co., Ltd. ^{Note 2}	Wholly-owned subsidiary of the Controlling Shareholder	-	-	-	756,517	-195,875	560,642
Total		1,400,000	250,000	1,650,000	2,346,592	-195,695	2,150,897

During the Reporting Period, the amount of funds provided to the Controlling Shareholder and its subsidiaries by the Company (in RMB'000)

Cause to claims and liabilities between related parties Claims and liabilities resulted from the Company's operations with the related parties.

Settlement of claims and liabilities between related parties Settlement by normal progress.

Commitments related to claims and liabilities between related parties None

Impact of such claims and liabilities between related parties on the Company's operating result and financial position No significant impact.

Section VII Significant Events (continued)

Notes:

1. The capital provided by the listed company to the related party is the principal of the loan provided from CRCC Finance to the Controlling Shareholder. The capital provided by the related parties to the listed company was mainly the amount granted by the Ministry of Finance to the Controlling Shareholder, and deemed as the Controlling Shareholder's entrusted loan to the Company, and the interest rate of such entrusted loans is determined according to the loan prime rate (LPR) announced by the National Interbank Funding Centre.
2. The amount mainly includes deposits of the Controlling Shareholder and its subsidiaries stored in CRCC Finance, a subsidiary of the Group.
3. Events not disclosed in temporary announcements
 Applicable Not Applicable

(VI) The financial businesses between the Company and the related financial company, the Company's holding financial company and the related party

Applicable Not Applicable

1. Deposit services
 Applicable Not Applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	The maximum daily deposit limit	Interest rate on deposit	Opening balance	Accrual this period		Ending balance
					Total deposited amounts this period	Total withdrawal amounts this period	
China Railway Construction Corporation	Controlling Shareholder	/	0.50%-2.85%	292,709	10,131,806	10,257,536	166,979
China Railway Jinli Assets Management Co., Ltd.	Wholly-owned subsidiary of the Controlling Shareholder	/	0.50%-2.85%	756,517	1,851,146	2,047,021	560,642
Total	/	/	/	1,049,226	11,982,952	12,304,557	727,621

Section VII Significant Events (continued)

2. Loan services

Applicable Not Applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Loan facility	Interest rate on loan	Opening balance	Accrual this period		Ending balance
					Total loan amounts this period	Total repayment amounts this period	
China Railway Construction Corporation	Controlling Shareholder	4,000,000	2.50%-2.70%	1,400,000	1,939,423	1,689,423	1,650,000
Total	/	/	/	1,400,000	1,939,423	1,689,423	1,650,000

3. Facilities businesses and other financial businesses

Applicable Not Applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Business type	Total amount	Actual accrual
China Railway Construction Corporation	Controlling Shareholder	Entrusted loan fee	50,000	102
China Railway Construction Corporation	Controlling Shareholder			9
China Railway Jinli Assets Management Co., Ltd.	Wholly-owned subsidiary of the Controlling Shareholder	Settlement service fee	50,000	44
Total	/	/	100,000	155

Section VII Significant Events (continued)

4. Other Explanation

Applicable Not Applicable

CRCC Finance is a controlled subsidiary of the Company, with a financial license and relevant operation qualification, and has established a more complete and reasonable internal control system, which can better control risks. The finance company has not been involved in any violation of law or business default, nor any situations that may harm the interests of the listed company such as threatening the safety of funds and failing to guarantee recoverability.

(VII) Others

Applicable Not Applicable

XV. MATERIAL CONTRACTS AND PERFORMANCE

(I) Trusteeship, contracting and leasing matters

1. Information on trusteeship

Applicable Not Applicable

2. Information on contracting

Applicable Not Applicable

3. Information on leasing

Applicable Not Applicable

Section VII Significant Events (continued)

(II) Related guarantee

Applicable Not Applicable

Unit: '000 Currency: RMB

Guarantor	Relationship with the listed company	Party guaranteed	Guarantee amount	Guarantees (Other than guarantees for subsidiaries)			Guarantee type	Guarantee object (if any)	Performance			Counter Guaranteed or not	Guarantee by related party	Related relationship
				Date of guarantee occurrence (date of signing the agreement)	Guarantee starting date	Guarantee due date			completed or not	Overdue or not	Overdue amount			
The Company	Within the Company	EUACORRIENTE S.A.	405,931	22 June 2020	10 August 2020	9 July 2025	Joint Responsibility Guarantee	No	No	No	Yes	No		
China Railway Construction Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Wuhan Zhaorui Real Estate Co., Ltd.	191,100	9 July 2021	9 July 2021	27 March 2024	Joint Responsibility Guarantee	No	No	No	No	Yes	Associate	
China Railway Construction Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Wuhan Zhaorui Real Estate Co., Ltd.	538,020	22 July 2022	17 August 2022	26 July 2025	Joint Responsibility Guarantee	No	No	No	No	Yes	Associate	
China Railway 20th Bureau Group Co., Ltd.	Controlling subsidiary	Guizhou Wengma Railway Co., Ltd.	623,347	31 March 2016	31 March 2016	31 March 2039	Joint Responsibility Guarantee	No	No	No	No	Yes	Associate	
China Railway 16th Bureau Group Co., Ltd.	Wholly-owned subsidiary	Oriental Anzhen (Beijing) Hospital Management Co., Ltd.	66,183	24 May 2021	25 May 2021	14 December 2039	Joint Responsibility Guarantee	No	No	No	No	No		
China Civil Engineering Group Co., Ltd.	Wholly-owned subsidiary	Jiangxi Copper Corporation Limited	74,639	31 May 2021	31 May 2021	22 June 2028	Joint Responsibility Guarantee	No	No	No	No	No		
CRCC International Investment Co., Ltd.	Wholly-owned subsidiary	Jiangxi Copper Corporation Limited	149,277	31 May 2021	31 May 2021	22 June 2028	Joint Responsibility Guarantee	No	No	No	No	No		
China Railway Construction Group Properties Co., Ltd.	Controlling subsidiary	Pengruiliyunmen (Hangzhou) Real Estate Co., Ltd.	398,040	14 June 2022	14 June 2022	21 December 2031	Joint Responsibility Guarantee	No	No	No	No	Yes	Associate	
The Company	Within the Company	Chuantie (Luzhou) Tielu Co., Ltd.	0	28 December 2006	28 December 2006	28 December 2026	General Guarantee	No	Yes	No	No	No		
The Company	Within the Company	Chuantie (Luzhou) Tielu Co., Ltd.	0	16 April 2008	16 April 2008	16 April 2028	General Guarantee	No	Yes	No	No	No		
The Company	Within the Company	CRCC-Tongguan Investment Co., Ltd.	0	17 March 2014	17 March 2014	30 December 2023	General Guarantee	No	Yes	No	No	Yes	Associate	
The Company	Within the Company	CRCC-Tongguan Investment Co., Ltd.	0	20 May 2015	20 May 2015	20 November 2023	General Guarantee	No	Yes	No	No	Yes	Associate	
China Railway Construction Investment Group Co., Ltd.	Controlling subsidiary	CRCC-Tongguan Investment Co., Ltd.	0	13 June 2019	13 June 2019	13 June 2024	Joint Responsibility Guarantee	No	Yes	No	Yes	Yes	Associate	

Total amount of guarantees for the Reporting Period (exclusive of the guarantees for subsidiaries)

-107,688

Ending balance of guarantees for the Reporting Period (A) (exclusive of the guarantees for subsidiaries)

2,446,537

Section VII Significant Events (continued)

Guarantees for subsidiaries by the Company together with its subsidiaries

Total amount of guarantees for subsidiaries for the Reporting Period	-12,123,793
Ending balance of guarantees for subsidiaries for the Reporting Period (B)	96,203,250

Total guarantees by the Company (inclusive of such guarantees to its subsidiaries)

Total guarantees (A+B)	98,649,787
The proportion of total guarantees in net assets of the Company (%)	31.84
Among which:	
The amount of guarantees for the Company's shareholders, actual controllers and their related parties (C)	-
Debt guarantees directly or indirectly to guaranteed objects with the gearing ratio higher than 70% (D)	94,300,519
Of total guarantees, the portion in excess of 50% net assets of the Company (E)	-
Total of the above three categories of guarantees (C+D+E)	94,300,519

Explanation on the potential joint liability arising from the immature guarantees
Explanation on the guarantees

N/A

As at the end of the Reporting Period, the total balance of guarantees provided by the Company and its wholly-owned and controlling subsidiaries was RMB98.6498 billion (excluding mortgage guarantees provided to small homeowners for home purchases as a result of real estate operations). The total balance of guarantees provided by the Company and its wholly owned and controlled subsidiaries to the subsidiaries amounted to RMB96.2033 billion, among which the balance of guarantees provided by the Company to its wholly-owned and controlled subsidiaries amounted to RMB11.7101 billion, the balance of guarantees provided by wholly-owned and controlled subsidiaries of the Company to its subsidiaries amounted to RMB84.4932 billion. The balance of guarantees provided to entities outside the consolidated statements of the listed company (excluding small homeowners for home purchases) by the Company and its wholly-owned and controlled subsidiaries was RMB2.4465 billion. The Company had no overdue guarantees.

The external guarantee provided by the Company has stringently fulfilled its decision-making procedures and information disclosure obligations in accordance with the relevant normative documents and the corporate governance system, and there is no non-compliance in the provision of guarantee.

Section VII Significant Events (continued)

(III) Entrusted others to manage cash assets

1. Entrusted wealth management

(1) Overall entrusted wealth management

Applicable Not Applicable

Unit: '000 Currency: RMB

Type	Source of fund	Amount	Outstanding balance	Amount overdue but uncollected
Trust Products	Own funds	-	7,900	-
Brokerage Products	Own funds	225,150	1,036,650	-
Other	Own funds	2,443,844	6,255,017	-

Other information

Applicable Not Applicable

(2) Individual entrusted wealth management

Applicable Not Applicable

Other information

Applicable Not Applicable

(3) Provisions for impairment of entrusted wealth management

Applicable Not Applicable

Section VII Significant Events (continued)

2. Entrusted loans
- (1) *Overall entrusted loans*
- Applicable Not Applicable
- Other information
- Applicable Not Applicable
- (2) *Breakdown of individual entrusted loans*
- Applicable Not Applicable
- Other information
- Applicable Not Applicable
- (3) *Impairment reserve for entrusted loans*
- Applicable Not Applicable
3. Other information
- Applicable Not Applicable

Section VII Significant Events (continued)

(IV) Other Major Contracts

Applicable Not Applicable

1. Domestic business contract

Unit: '00 million Currency: RMB

No.	Date of signing	Project name	Contract amount	Contracting party	Term of performance
1	February 2023	Section GZQZ-14 of Pre-construction Work of Pearl River Delta International Airport of Newly-built Guangzhou-Zhanjiang High-speed Railway	44.45	China Railway 12th Bureau Group Co., Ltd.	1,035 calendar days
2	February 2023	Zhengzhou South Railway Station Hub Industrial Park Project	303.27	China Railway Construction Kunlun Investment Group Co., Ltd., CRCC Zhongyuan Investment and Construction Co., Ltd., China Railway 11th Bureau Group Co., Ltd., China Railway 12th Bureau Group Co., Ltd., China Railway 16th Bureau Group Co., Ltd., China Railway 21st Bureau Group Co., Ltd., China Railway 22nd Bureau Group Co., Ltd., China Railway Construction Group Co., Ltd., China Railway Fifth Survey and Design Institute Group Co., Ltd.	15 years
3	April 2023	Work of Northbound Extension Passage of Qiaocheng East Road (Section II)	54.79	Shenzhen China Railway Great Bay Area Investment and Construction Co., Ltd., China Railway 12th Bureau Group Co., Ltd., China Railway 16th Bureau Group Co., Ltd., China Railway 25th Bureau Group Co., Ltd.	1,891 calendar days
4	April 2023 ^{Note 1}	General Contracting (EPC) Project (Phase II) of Gaoyazitan 1,500,000-kWh Wind Power – Photovoltaic Power – Power Storage Integration Base in Gaotai County	34.95	China Railway 11th Bureau Group 1st Engineering Co., Ltd.	3 years
5	May 2023	General Contracting for Construction of Nansha-Zhuhai (Zhongshan) Intercity (Wanqingsha-Xingzhong Section) and Simultaneous Implementation Works (Section NZZ-3)	68.11	China Railway Construction Corporation Limited and China Railway Construction South China Construction Co., Ltd., China Railway 11th Bureau Group Co., Ltd., China Railway Construction Bridge Engineering Bureau Group Co., Ltd., China Railway Construction Electrification Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 20th Bureau Group Co., Ltd., China Railway 25th Bureau Group Co., Ltd.	913 calendar days
6	June 2023 ^{Note 1}	General Contracting (EPC) Project for Construction of Science & Engineering School (Phases II and III) of Xinyang Normal University and Suxin Industrial Park (Phase I), Talent Apartment (Phase II) and Huang River Ecological Comprehensive Management (Phase II) in Southeast Henan High-tech Zone	69.24	China Railway 15th Bureau Group Co., Ltd.	36 months
7	June 2023	General Contracting (EPC) for the Gold Mining Project in Wuhe Xiban Mining Area	29.71	China Railway 15th Bureau Group 4th Engineering Co., Ltd., China Railway 15th Bureau Group Sichuan Construction Survey and Design Co., Ltd.	5 years
8	July 2023	Lump Sum Contract for Construction of Section WYZQ-1 of Pre-construction Work of Hankou to Hanchuan East Section of Wuhan-Yichang Section of the Newly Built Shanghai-Chongqing-Chengdu High-speed Railway	33.48	China Railway 12th Bureau Group Co., Ltd., China Railway 12th Bureau Group 3rd Engineering Co., Ltd.	857 calendar days

Section VII Significant Events (continued)

No.	Date of signing	Project name	Contract amount	Contracting party	Term of performance
9	August 2023	General Contracting for Design and Construction of Changshan River (Huibu – Shuanggang) Navigation and Power Hub Project Phase I (Changshan Section) in the Middle and Upper Reaches of Qiantang River (Section SJSG)	32.16	China Railway 15th Bureau Group Co., Ltd., China Railway Siyuan Survey and Design Group Co., Ltd.	2,190 calendar days
10	August 2023	General Contracting for Shandong Linyi Sanhe International Agricultural Products E-commerce Logistics Park (EPC)	43.5	China Railway 19th Bureau Group 3rd Engineering Co., Ltd., China Railway 11th Bureau Group Xi'an Construction Co., Ltd.	1,095 calendar days
11	September 2022	Lump Sum Contracting for Construction of Section GNSG1 of the Newly-built Link Line Project from Guangzhou Station to Guangzhou South Station	29.79	China Railway 18th Bureau Group Co., Ltd.	1,462 calendar days
12	November 2023	Luanshiling Iron Polymetallic Mine Mining and Construction Project in Lushi County (EPC)	30.61	China Railway 11th Bureau Group 1st Engineering Co., Ltd.	5 years
13	November 2023	Section YYZQ-6 of Pre-construction Work of Newly-built Yan'an-Yulin Railway	30.09	China Railway 14th Bureau Group Co., Ltd.	1,826 calendar days
14	November 2023	Section YYZQ-8 of Pre-construction Work of Newly-built Yan'an-Yulin Railway	30.02	China Railway 12th Bureau Group Co., Ltd.	1,826 calendar days
15	November 2023	Section YYZQ-4 of Pre-construction Work of Newly-built Yan'an-Yulin Railway	30.29	China Railway 18th Bureau Group Co., Ltd.	1,826 calendar days
16	November 2023	EPC Project for Chongqing School of Central China Normal University and Related Roadworks	31.42	China Railway 20th Bureau Group Co., Ltd., China Railway Construction Bridge Engineering Bureau Group Co., Ltd., China Railway Construction Bridge Engineering Bureau Group Chongqing Construction Co., Ltd.	720 calendar days
17	November 2023	Section 6 of the Civil Construction and Metal Structures and Electromechanical Equipment Construction and Installation for the River Diversion Project from Yangtze River to Hanjiang River	32.08	China Railway 12th Bureau Group Co., Ltd.	92 months
18	November 2023	Section 4 of the Civil Construction and Metal Structures and Electromechanical Equipment Construction and Installation for the River Diversion Project from Yangtze River to Hanjiang River	59.22	China Railway 18th Bureau Group Co., Ltd.	94 months
19	November 2023	Luoga Coal Mine Project in Huazuo Township for Nayong Benniu Coal Industry Co., Ltd.	37.81	China Railway 20th Bureau Group 5th Engineering Co., Ltd.	1,825 calendar days
20	November 2023	Jiangjin-Yibin (within Sichuan) via Luzhou Expressway Project	195.23	A consortium comprising CRCC Kunlun Investment Co., Ltd., China Railway First Survey and Design Institute Group Co., Ltd. and other parties.	32 years 285 calendar days
21	December 2023 ^{Note 1}	Housing Construction and Municipal Engineering and Superstructure Reservation Civil Engineering in Chengjiang Road Vehicle Depot and Railway Engineering in Chengjiang Road Vehicle Depot for Shanghai Rail Transit Line 23 Phase I Project	45.12	China Railway 19th Bureau Group Co., Ltd., China Railway 24th Bureau Group Co., Ltd., China Railway 11th Bureau Group Co., Ltd., China Railway Construction East China Construction and Development Co., Ltd.	1,094 calendar days
22	December 2023	Construction General Contracting and Operation Project for Comprehensive Development and Utilization of Tailings at Mangya Asbestos Mine	128.22	China Railway 19th Bureau Group Mining Investment Co., Ltd.	12 years

Section VII Significant Events (continued)

No.	Date of signing	Project name	Contract amount	Contracting party	Term of performance
23	December 2023	General Contracting Project for Urban Construction and Industrial Upgrading Supporting Project and Certain Infrastructure Projects in Chengnan Area of Tianchang Station of Nanjing-Huai'an High-speed Railway	38.88	China Railway 18th Bureau Group Co., Ltd.	2,920 calendar days
24	January 2024 ^{Note 2}	Xiamen Third East Passage Project (Sections A2, A3, A4 and A5) (Construction) – Section A4	39.09	China Railway Construction Corporation Limited, China Railway Construction Bridge Engineering Bureau Group Co., Ltd., China Railway 14th Bureau Group Co., Ltd., China Railway 22nd Bureau Group Co., Ltd.	42 months

Notes:

1. The dates listed were the time when winning bids for these projects, and the contracts haven't been signed as of the end of Reporting Period.
 2. Such projects were the projects of which the bids were already won during the Reporting Period, and contracts have been signed as of the disclosing date of this report.
2. Overseas operation contracts

Unit: '00 million Currency: RMB

No.	Date of signing	Project name	Contract amount	Contracting party	Term of performance
1	May 2023	Al Habtoor Tower, Al Habtoor City, Dubai, U.A.E. – Main Works Package	36.28	China Railway 18th Bureau Group (Dubai) Co., Ltd.	Approximately one year for phase 1 of the project; 1,095 days for the contract duration of Phase 2
2	August 2023	Design and Construction of the Northern Section of the Light Rail Transit East Line	31.90	A consortium comprising China Civil Engineering Construction Company (Macau) Ltd. and other parties	1,350 working days
3	November 2023	Medical Network Franchise Program in O'Higgins Region, Chile	42.04	A consortium comprising China Railway Construction International Group Limited and China Railway Construction Group Co., Ltd.	19.2 years
4	December 2023	Bechar – Tindouf (Gala Djebilet) 575-kilometer Mining Railway Line Project in Algeria	188.69	A consortium comprising China Railway Construction Corporation Limited and other parties	30 months

XVI. EXPLANATION OF PROGRESS IN THE USE OF RAISED FUNDS

Applicable Not Applicable

Section VII Significant Events (continued)

XVII. EXPLANATION ON OTHER MAJOR MATTERS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS.

Applicable Not Applicable

XVIII. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Applicable Not Applicable

(1) Changes of Directors, Supervisors and Senior Management of the Company

On 30 January 2024, the “resolution in relation to the addition of an executive director of the Company” was considered and approved at the first extraordinary General Meeting in 2024. Mr. DAI Hegen was added as an executive director of the Company, with term of office being the same as that of the fifth session of the Board, starting from the date when he was elected at the General Meeting. On 30 January 2024, at the 25th meeting of the fifth session of the Board, Mr. DAI Hegen was elected as the chairman of the Company and the chairman of the Nomination Committee. For details, please refer to the relevant announcements published by the Company dated 31 January 2024 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

(2) Events after the Balance Sheet Date

Applicable Not Applicable

Section VIII Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) Table of changes in shares

1. Table of changes in shares

The Company's total shares and share capital structure had no change during the Reporting Period.

2. Particulars of changes in shares

Applicable Not Applicable

3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share within the year or the period (if any)

Applicable Not Applicable

4. Other disclosable contents that the Company deemed necessary or were required by securities regulatory authorities

Applicable Not Applicable

(II) Changes in shares subject to trading moratorium

Applicable Not Applicable

II. ISSUE AND LISTING OF SECURITIES

(I) Issue of securities during the Reporting Period

Applicable Not Applicable

Notes on issuance of securities during the Reporting Period (please specify respectively for the bonds with different interest rate in the duration):

Applicable Not Applicable

(II) Changes in total shares, shareholding structure and assets and liabilities structure of the Company

Applicable Not Applicable

(III) Existing internal employee shares

Applicable Not Applicable

Section VIII Changes in Shares and Particulars of Shareholders (continued)

III. PARTICULARS OF SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Structure of share capital and public float (disclosure under the Listing Rules of the Hong Kong Stock Exchange)

1. Share Capital Structure

As at 31 December 2023, the share capital structure of the Company is set out as follows:

Shareholder	Class of shares	Number of shares (share)	Approximate percentage of the issued share capital (%)
China Railway Construction Corporation	A share	6,956,316,590	51.23
Public holders of A shares	A share	4,546,928,910	33.48
Public holders of H shares	H share	2,076,296,000	15.29
Total	/	13,579,541,500	100.00

2. Public float

As at the latest practicable date prior to the publication of this report, and according to all public information and as far as the directors are aware, the public holders of the Company held 6,623.22491 million shares, representing 48.77% of the issued capital of the Company. In particular, public holders of H shares held 2,076.296 million shares, representing 15.29% of the issued capital of the Company; public holders of A shares held 4,546.92891 million shares, representing 33.48% of the issued share capital of the Company. The Company has sufficient public float which satisfies the requirements under the Hong Kong Stock Exchange Listing Rules.

(II) The total number of shareholders

As at the end of the Reporting Period, the total number of shareholders of the Company was 264,744, of which 250,806 were holders of A shares and 13,938 were holders of H shares. At the end of the last month prior to the publishing date of this annual report, the total number of ordinary shareholders of the Company was 265,538, of which 251,640 were holders of A shares and 13,898 were holders of H shares

Total number of ordinary shareholders as at the end of the Reporting Period	264,744
Total number of ordinary shareholders at the end of the last month prior to the date of the issuance of the annual report	265,538
Total number of preference shareholders with voting right restored as at the end of the Reporting Period	N/A
Total number of preference shareholders with voting right restored at the end of the last month prior to the date of the issuance of the annual report	N/A

Section VIII Changes in Shares and Particulars of Shareholders (continued)

(III) Particulars of shareholdings of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders not subject to trading moratorium) as at the end of the Reporting Period

Unit: share

Particulars of top ten shareholders (excluding shares lent through refinancing)

Name of shareholder (full title)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to trading moratorium	Shares pledged or frozen Share status	Quantity	Nature of shareholder
China Railway Construction Corporation	13,580,000	6,956,316,590	51.23	0	None	0	Nation
HKSCC NOMINEES LIMITED	987,600	2,061,186,432	15.18	0	Unknown	0	Overseas legal person
China Securities Finance Corporation Limited	0	323,087,956	2.38	0	None	0	Others
Central Huijin Asset Management Corporation Limited	0	138,521,000	1.02	0	None	0	Others
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
E Fund – Agricultural Bank of China – E Fund CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
Da Cheng Fund – Agricultural Bank of China – Da Cheng CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
GF Fund – Agricultural Bank of China – GF CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
Zhong Ou Fund – Agricultural Bank of China – Zhong Ou CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
China Asset Management – Agricultural Bank of China – China Asset Management CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
CSAM – Agricultural Bank of China – CSAM CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	None	0	Others

Section VIII Changes in Shares and Particulars of Shareholders (continued)

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
China Railway Construction Corporation	6,956,316,590	RMB ordinary share	6,956,316,590
HKSCC NOMINEES LIMITED	2,061,186,432	Overseas listed foreign share	2,061,186,432
China Securities Finance Corporation Limited	323,087,956	RMB ordinary share	323,087,956
Central Huijin Asset Management Corporation Limited	138,521,000	RMB ordinary share	138,521,000
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
E Fund – Agricultural Bank of China – E Fund CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Da Cheng Fund – Agricultural Bank of China – Da Cheng CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
GF Fund – Agricultural Bank of China – GF CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Zhong Ou Fund – Agricultural Bank of China – Zhong Ou CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
China Asset Management – Agricultural Bank of China – China Asset Management CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
CSAM – Agricultural Bank of China – CSAM CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500

Section VIII Changes in Shares and Particulars of Shareholders (continued)

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Explanations on the repurchase of special accounts among the top ten shareholders	N/A		
Explanation of the above-mentioned shareholders' entrusting voting rights, entrusted voting rights, and waiver of voting rights	N/A		
Explanations on the connected or concerted action among the above shareholders	The Company has no information on whether there exists any related-party relationship between the top ten shareholders not subject to trading moratorium and the top ten shareholders and whether the shareholders are persons acting in concert as specified in the Measures for the Administration of the Acquisition of Listed Companies.		
Explanation on the preference shareholders with voting right restored and their shareholdings	N/A		

Notes:

- The Company received a notice from China Railway Construction Corporation (hereinafter referred to as CRCCG), its Controlling Shareholder, on 16 October 2023 that CRCCG intends to increase its holdings of A shares in the Company by means permitted by the system of the Shanghai Stock Exchange within 6 months from the date of disclosure of "China Railway Construction Corporation Limited Announcement in relation to the Plan on Increase in Shareholding in the Company by the Controlling Shareholder", with an aggregate increase of not less than 0.1% and not higher than 0.25% of the total issued share capital of the Company before such increase, and the total amount of the shareholding increase not exceeding RMB300 million. As of the end of 2023, CRCCG had increased 13,580,000 A shares of the Company by means of centralized bidding through the trading system of the Shanghai Stock Exchange and held a total of 6,956,316,590 A shares of the Company, with a shareholding ratio of 51.23%.
- The H shares held by HKSCC Nominees Limited were held for and on behalf of several clients. As at the end of the Reporting Period, HKSCC Nominees Limited held 2,061,186,432 shares of the Company. However, details regarding whether the shares were pledged or frozen were unknown.

Section VIII Changes in Shares and Particulars of Shareholders (continued)

Particulars of top ten shareholders participating in the lending of shares through refinancing business

Applicable Not Applicable

The changes of top ten shareholders as compared with the last period

Applicable Not Applicable

The top ten shareholders subject to trading moratorium and conditions of such trading moratorium

Applicable Not Applicable

(IV) Top ten shareholders from strategic investors or general legal persons participating in the placing of the new shares

Applicable Not Applicable

(V) Particulars of interests and short positions of substantial shareholders disclosed in accordance with the SFO (disclosure pursuant to the requirements of the Hong Kong Stock Exchange Listing Rules)

As at 31 December 2023, the persons other than directors, supervisors or chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company which are disclosable under Section 336 of Part XV of the SFO were as follows:

Name of substantial shareholder	Class of share	Capacity	Number of shares interested (share)	Percentage of issued share capital of the relevant class of shares	Percentage of total issued share capital
China Railway Construction Corporation	A share	Beneficial owner	6,956,316,590(L)	60.47%	51.23%

Note: L – long position.

Section VIII Changes in Shares and Particulars of Shareholders (continued)

IV. INFORMATION OF THE CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

(I) Controlling shareholder

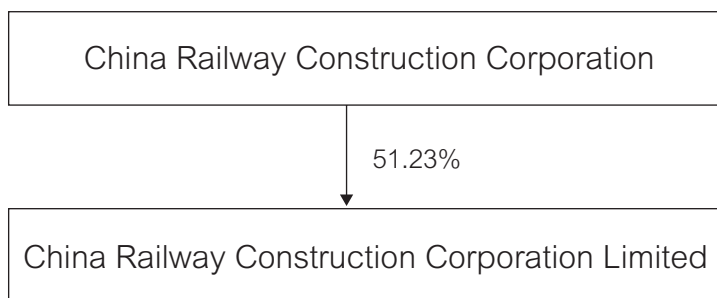
1. Legal person

Applicable Not Applicable

Name	China Railway Construction Corporation
Person in charge or legal representative	DAI Hegen
Incorporation date	28 August 1990
Principal businesses	Construction of railways, metropolitan railways, highways, airports, ports, dock, tunnels, bridges, water conservancy and hydropower facilities, post and telecommunication facilities, mining facilities; lumbering; provision of technical consultancy services for municipal engineering, general contracting and subcontracting of installation of circuitry, pipeline and equipment; construction of prevention and control of geologic disasters; provision of construction project management services; sale of automobile and cars; wholesale and retail of ferrous metal, timber, cement, fuel, construction materials, chemical products (excluding dangerous chemicals), electromechanical products, armoured concrete product and special railway equipment; production of the enterprises under direct control of the organization; overseas construction contracting and domestic construction tendering; provision of rental services of machinery and construction installation equipment, provision of renovation and interior decoration services; provision of technical consulting, technical services, import and export related to the above businesses; advertising business. (Market entity can choose the business to be engaged in and carry out such business activities pursuant to the laws; for business activities for which approvals are required, they should be carried out after obtaining approvals from relevant authorities; no business activity as prohibited by the state and industrial policies of the municipality and restricted by the authorities shall be engaged in.)
Particulars of other domestic and overseas listed companies held and invested by the Controlling Shareholder during the Reporting Period	None
Explanation on other matters	None

Section VIII Changes in Shares and Particulars of Shareholders (continued)

2. Natural person
 Applicable Not Applicable
3. Special explanation on no controlling shareholder for the Company
 Applicable Not Applicable
4. Explanation of changes in controlling shareholder during the Reporting Period
 Applicable Not Applicable
5. The chart of the relationship between the Company and the controlling shareholder on the property ownership and controlling rights
 Applicable Not Applicable



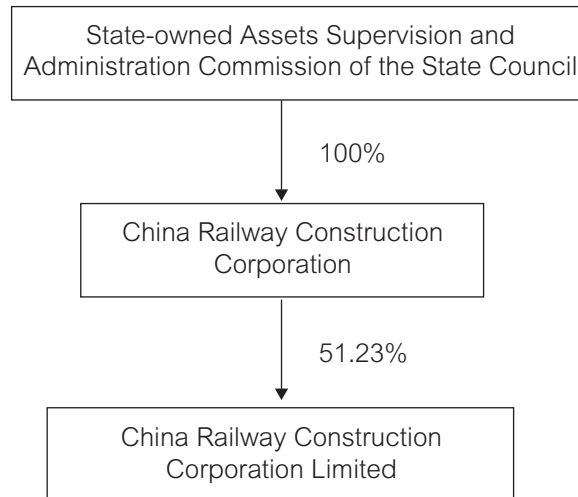
(II) Actual controller

1. Legal person
 Applicable Not Applicable
 Name State-owned Assets Supervision and Administration Commission of the State Council
2. Natural person
 Applicable Not Applicable
3. Special explanation on no actual controller for the Company
 Applicable Not Applicable
4. Explanation of changes in actual controller during the Reporting Period
 Applicable Not Applicable

Section VIII Changes in Shares and Particulars of Shareholders (continued)

5. The chart of the relationship between the Company and the actual shareholder on the property ownership and controlling rights

Applicable Not Applicable



6. The actual controller controls the Company through the trust or other asset management way

Applicable Not Applicable

(III) Introduction of other information on Controlling Shareholder and actual controller

Applicable Not Applicable

V. THE CONTROLLING SHAREHOLDER OR THE LARGEST SHAREHOLDER OF THE COMPANY AND ITS CONCERT PARTIES HOLDING MORE THAN 80% OF SHARES

Applicable Not Applicable

Section VIII Changes in Shares and Particulars of Shareholders (continued)

VI. OTHER SHAREHOLDERS HOLDING MORE THAN 10% OF SHARES

Applicable Not Applicable

Unit: '000 Currency: RMB

Name of the legal shareholder	Person in charge in the company or legal representative	Established date	Organization code	Registered capital	The main business or management activities and other information
HKSCC NOMINEES LIMITED	N/A	14 May 1991	N/A	N/A	Security share agent deposited in the depository of CCASS security
Explanation	The H shares held by HKSCC Nominees Limited are held on behalf of its various clients.				

VII. EXPLANATION ON THE RESTRICTION OF REDUCING SHARE

Applicable Not Applicable

VIII. SPECIFIC IMPLEMENTATION OF SHARE BUYBACKS IN THE REPORTING PERIOD

Applicable Not Applicable

Neither the Company nor any of its subsidiaries had buybacks of any securities of the Company during the Reporting Period.

IX. SALES OR REDEMPTION OF SECURITIES OF THE COMPANY (DISCLOSURE AS REQUIRED BY THE HONG KONG STOCK EXCHANGE LISTING RULES)

Neither the Company nor any of its subsidiaries had sold or redeemed any securities of the Company during the Reporting Period.

Section IX Particulars of Preference Shares

Applicable Not Applicable

Section X Particulars of Corporate Bonds

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL ENTERPRISE DEBT FINANCING INSTRUMENTS

Applicable Not Applicable

(I) Enterprise bonds

Applicable Not Applicable

(II) Corporate bonds

Applicable Not Applicable

1. Basic information of corporate bonds

Unit: '000 Currency: RMB

Bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	19 CRCC Y2	155869	28 October 2019	29 October 2019	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	499,775	4.30	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (second tranche) (variety II) for qualified investors	19 CRCC Y4	155866	15 November 2019	18 November 2019	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,499,319	4.39	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry, and agreement transaction	No

Section X Particulars of Corporate Bonds (continued)

Bond	Short name	Date of Code issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (third tranche) (variety II) for qualified investors	19 CRCC Y6	163970	16 December 2019	17 December 2019	999,495	4.20	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	21 CRCC Y1	188252	17 June 2021	18 June 2021	1,799,083	3.73	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	21 CRCC Y2	188253	17 June 2021	18 June 2021	1,299,337	4.00	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety I) for professional investors	21 CRCC Y3	185039	22 November 2021	23 November 2021	1,998,684	3.30	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No

Section X Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety II) for professional investors	21 CRCC Y4	185038	22 November 2021	23 November 2021	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,342	3.64	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety I) for professional investors	21 CRCC Y5	185120	9 December 2021	10 December 2021	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	499,611	3.20	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety II) for professional investors	21 CRCC Y6	185119	9 December 2021	10 December 2021	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,223	3.58	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety I) for professional investors	21 CRCC Y7	185198	29 December 2021	30 December 2021	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,346	3.17	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No

Section X Particulars of Corporate Bonds (continued)

Bond	Short name	Date of Code issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety II) for professional investors	21 CRCC Y8	185196	29 December 2021	30 December 2021	999,346	3.50	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety I) for professional investors	22 CRCC Y1	185731	22 April 2022	25 April 2022	2,198,695	3.17	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety II) for professional investors	22 CRCC Y2	185732	22 April 2022	25 April 2022	799,525	3.55	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety I) for professional investors	22 CRCC Y3	137533	15 July 2022	18 July 2022	1,499,101	2.98	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No

Section X Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety II) for professional investors	22 CRCC Y4	137534	15 July 2022	18 July 2022	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,499,101	3.37	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (first tranche) (variety I) for professional investors	CRCC YK01	138759	20 December 2022	21 December 2022	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	2,998,221	3.95	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (second tranche) (variety I) for professional investors	CRCC YK03	138800	28 December 2022	29 December 2022	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,998,692	3.75	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (first tranche) (variety I) for professional investors	CRCC YK05	116551	19 June 2023	20 June 2023	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e., an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,383	3.08	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No

Section X Particulars of Corporate Bonds (continued)

Bond	Short name	Date of issuance	Value date	Maturity date	Balance of the bond	Interest (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (first tranche) (variety II) for professional investors	CRCC YK06	115552	19 June 2023	20 June 2023	1,499,074	3.45	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (second tranche) (variety I) for professional investors	CRCC YK07	240445	26 December 2023	27 December 2023	1,698,476	2.97	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Professional investor	Auction, quote, inquiry, and agreement transaction	No

Company's response to the risk of termination of listing and trading of bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Section X Particulars of Corporate Bonds (continued)

Payment of interest on bonds during the Reporting Period

Applicable Not Applicable

Bond	Statement of interest payments
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	The Company paid the last annual interest of CRCC 2019 publicly issued renewable corporate bonds (first tranche) for qualified investors from 29 October 2022 to 28 October 2023, on 30 October 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2019 Publicly Issued Renewable Corporate Bonds (First Tranche) for Qualified Investors, nominal interest rate of "19 CRCC Y2" was 4.30%. Interest of RMB43.00 (tax inclusive) was distributed for each lot of "19 CRCC Y2" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (second tranche) (variety II) for qualified investors	The Company paid the last annual interest of CRCC 2019 publicly issued renewable corporate bonds (second tranche) for qualified investors from 18 November 2022 to 17 November 2023, on 20 November 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2019 Publicly Issued Renewable Corporate Bonds (Second Tranche) for Qualified Investors, nominal interest rate of "19 CRCC Y4" was 4.39%. Interest of RMB43.90 (tax inclusive) was distributed for each lot of "19 CRCC Y4" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (third tranche) (variety II) for qualified investors	The Company paid the last annual interest of CRCC 2019 publicly issued renewable corporate bonds (third tranche) for qualified investors from 17 December 2022 to 16 December 2023, on 18 December 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2019 Publicly Issued Renewable Corporate Bonds (Third Tranche) for Qualified Investors, nominal interest rate of "19 CRCC Y6" was 4.20%. Interest of RMB42.00 (tax inclusive) was distributed for each lot of "19 CRCC" Y6 with a nominal value of RMB1,000.

Section X Particulars of Corporate Bonds (continued)

Bond	Statement of interest payments
China Railway Construction Corporation Limited on 2020 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	The Company paid the last annual interest of CRCC 2020 publicly issued renewable corporate bonds (first tranche) for qualified investors from 25 September 2022 to 24 September 2023, on 25 September 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2020 Publicly Issued Renewable Corporate Bonds (First Tranche) for Qualified Investors, nominal interest rate of “20 CRCC Y1” was 4.43%. Interest of RMB44.30 (tax inclusive) was distributed for each lot of “20 CRCC Y1” with a nominal value of RMB1,000. According to the Announcement on the Issuance Results of CRCC 2020 Publicly Issued Renewable Corporate Bonds (First Tranche) for Qualified Investors, the issuance scale of “20 CRCC Y1” is RMB2.2 billion. The Company did not exercise the renewal option and fully repaid the bond principal on 25 September 2023.
China Railway Construction Corporation Limited on 2020 public offering of renewable corporate bonds (second tranche) (variety I) for qualified investors	The Company paid the last annual interest of CRCC 2020 publicly issued renewable corporate bonds (second tranche) for qualified investors from 15 December 2022 to 14 December 2023, on 15 December 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2020 Publicly Issued Renewable Corporate Bonds (Second Tranche) for Qualified Investors, nominal interest rate of “20 CRCC Y3” was 4.37%. Interest of RMB43.70 (tax inclusive) was distributed for each lot of “20 CRCC Y3” with a nominal value of RMB1,000. According to the Announcement on the Issuance Results of CRCC 2020 Publicly Issued Renewable Corporate Bonds (Second Tranche) for Qualified Investors, the issuance scale of “20 CRCC Y3” is RMB2.5 billion. The Company did not exercise the renewal option and fully repaid the bond principal on 15 December 2023.
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (first tranche) for qualified investors from 18 June 2022 to 17 June 2023, on 19 June 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (First Tranche) for Qualified Investors, nominal interest rate of “21 CRCC Y1” was 3.73%. Interest of RMB37.30 (tax inclusive) was distributed for each lot of “21 CRCC Y1” with a nominal value of RMB1,000.

Section X Particulars of Corporate Bonds (continued)

Bond	Statement of interest payments
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (first tranche) for qualified investors from 18 June 2022 to 17 June 2023, on 19 June 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (First Tranche) for Qualified Investors, nominal interest rate of "21 CRCC Y2" was 4.00%. Interest of RMB40.00 (tax inclusive) was distributed for each lot of "21 CRCC Y2" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (second tranche) for professional investors from 23 November 2022 to 22 November 2023, on 23 November 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (Second Tranche) for Professional Investors, nominal interest rate of "21 CRCC Y3" was 3.30%. Interest of RMB33.00 (tax inclusive) was distributed for each lot of "21 CRCC Y3" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety II) for professional investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (second tranche) for professional investors from 23 November 2022 to 22 November 2023, on 23 November 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (Second Tranche) for Professional Investors, nominal interest rate of "21 CRCC Y4" was 3.64%. Interest of RMB36.40 (tax inclusive) was distributed for each lot of "21 CRCC Y4" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (third tranche) for professional investors from 10 December 2022 to 9 December 2023, on 11 December 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (Third Tranche) for Professional Investors, nominal interest rate of "21 CRCC Y5" was 3.20%. Interest of RMB32.00 (tax inclusive) was distributed for each lot of "21 CRCC Y5" with a nominal value of RMB1,000.

Section X Particulars of Corporate Bonds (continued)

Bond	Statement of interest payments
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety II) for professional investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (third tranche) for professional investors from 10 December 2022 to 9 December 2023, on 11 December 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (Third Tranche) for Professional Investors, nominal interest rate of “21 CRCC Y6” was 3.58%. Interest of RMB35.80 (tax inclusive) was distributed for each lot of “21 CRCC Y6” with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (fourth tranche) for professional investors from 30 December 2022 to 29 December 2023, on 2 January 2024. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (Fourth Tranche) for Professional Investors, nominal interest rate of “21 CRCC Y7” was 3.17%. Interest of RMB31.70 (tax inclusive) was distributed for each lot of “21 CRCC Y7” with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety II) for professional investors	The Company paid the last annual interest of CRCC 2021 publicly issued renewable corporate bonds (fourth tranche) for professional investors from 30 December 2022 to 29 December 2023, on 2 January 2024. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2021 Publicly Issued Renewable Corporate Bonds (Fourth Tranche) for Professional Investors, nominal interest rate of “21 CRCC Y8” was 3.50%. Interest of RMB35.00 (tax inclusive) was distributed for each lot of “21 CRCC Y8” with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2022 publicly issued renewable corporate bonds (first tranche) for professional investors from 25 April 2022 to 24 April 2023, on 25 April 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2022 Publicly Issued Renewable Corporate Bonds (First Tranche) for Professional Investors, nominal interest rate of “22 CRCC Y1” was 3.17%. Interest of RMB31.70 (tax inclusive) was distributed for each lot of “22 CRCC Y1” with a nominal value of RMB1,000.

Section X Particulars of Corporate Bonds (continued)

Bond	Statement of interest payments
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety II) for professional investors	The Company paid the last annual interest of CRCC 2022 publicly issued renewable corporate bonds (first tranche) for professional investors from 25 April 2022 to 24 April 2023, on 25 April 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2022 Publicly Issued Renewable Corporate Bonds (First Tranche) for Professional Investors, nominal interest rate of "22 CRCC Y2" was 3.55%. Interest of RMB35.50 (tax inclusive) was distributed for each lot of "22 CRCC Y2" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2022 publicly issued renewable corporate bonds (second tranche) (sustainable linkage) for professional investors from 18 July 2022 to 17 July 2023, on 18 July 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2022 Publicly Issued Renewable Corporate Bonds (Second Tranche) (Sustainable linkage) for Professional Investors, nominal interest rate of "22 CRCC Y3" was 2.98%. Interest of RMB29.80 (tax inclusive) was distributed for each lot of "22 CRCC Y3" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety II) for professional investors	The Company paid the last annual interest of CRCC 2022 publicly issued renewable corporate bonds (second tranche) (sustainable linkage) for professional investors from 18 July 2022 to 17 July 2023, on 18 July 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2022 Publicly Issued Renewable Corporate Bonds (Second Tranche) (Sustainable linkage) for Professional Investors, nominal interest rate of "22 CRCC Y4" was 3.37%. Interest of RMB33.70 (tax inclusive) was distributed for each lot of "22 CRCC Y4" with a nominal value of RMB1,000.
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (first tranche) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2022 publicly issued STI renewable corporate bonds (first tranche) (variety I) for professional investors from 21 December 2022 to 20 December 2023, on 21 December 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2022 Publicly Issued STI Renewable Corporate Bonds (First Tranche) for Professional Investors, nominal interest rate of "CRCC YK01" was 3.95%. Interest of RMB39.50 (tax inclusive) was distributed for each lot of "CRCC YK01" with a nominal value of RMB1,000.

Section X Particulars of Corporate Bonds (continued)

Bond	Statement of interest payments
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (second tranche) (variety I) for professional investors	The Company paid the last annual interest of CRCC 2022 publicly issued STI renewable corporate bonds (second tranche) (variety I) for professional investors from 29 December 2022 to 28 December 2023, on 29 December 2023. In accordance with the Announcement on the Nominal Interest Rate of CRCC 2022 Publicly Issued STI Renewable Corporate Bonds (Second Tranche) for Professional Investors, nominal interest rate of "CRCC YK03" was 3.75%. Interest of RMB37.50 (tax inclusive) was distributed for each lot of "CRCC YK03" with a nominal value of RMB1,000.
2.	Triggering and implementation of issuers' or investors' option terms and investors' protection terms <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable

Section X Particulars of Corporate Bonds (continued)

3. Intermediaries providing services for bond issuance and duration business

Intermediary	Office address	Name of signatory accountant	Contact	Tel
CITIC Securities Company Limited	22/F, CITIC Securities Mansion, No. 48 Liangmaqiao Road, Chaoyang District, Beijing		WANG Yanyan, ZHU Jun	010-60833551, 60833585
China International Capital Corporation Limited	27-28/F, Tower 2, China Beijing World Towers, No. 1 Jianguomenwai Street, Chaoyang District, Beijing		ZHANG Chong	010-65051166
Shenwan Hongyuan Securities Co., Ltd.	45/F, No. 989 Changle Road, Xuhui District, Shanghai		YU Shan, CHAO Wei	010-88013931
China Merchants Securities Co., Ltd.	No. 111 Fuhua Yi Road, Futian Street, Futian District, Shenzhen, Guangdong		LIU Wei	010-57783107
Industrial Securities Co., Ltd.	Rooms 601-605, No. 35 Jinshifang Street, Xicheng District, Beijing		LIANG Xiuguo, LI Lun	010-66290193
CSC Financial Co., Ltd.	9/F, Kaiheng Centre B, No.2 Chaoyangmennei Avenue, Dongcheng District, Beijing		LIU Xi	010-86451054
Everbright Securities Co., Ltd.	No.1508 Xinzha Road, Jing'an District, Shanghai		LU Hao, LIU Yuxin, ZHENG Fangzhou	010-58377827
Huatai United Securities Co., Ltd.	Room 401, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No.128 Guiwan 5th Road, Nanshan Block, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen		ZHONG Wei, ZHANG Xiaotong	010-57617040
Guotai Junan Securities Co., Ltd.	No. 618 Shangcheng Road, Pilot Free Trade Zone, Shanghai, PRC		LEI Lei, LONG Fei, WANG Peng, WANG Gang	021-38031934
Morgan Stanley Huaxin Securities Company Limited	Room 75T30, 75/F, Shanghai World Financial Centre, No. 100 Century Avenue, Pilot Free Trade Zone, Shanghai, PRC		LIU Xiaoguang, WANG Jian	021-20336000
Beijing Deheng Law Office	12/F, Tower B, Focus Place, No. 19 Jinrong Avenue, Xicheng District, Beijing		WANG Yuwei, YANG Yong	010-52682888
Deloitte Touche Tohmatsu Certified Public Accountants LLP	30/F, Bund Centre, No. 222 East Yan'an Road, Shanghai	MA Yanmei, YIN Lili, CHEN Xi, SHI Xiao	CHEN Xi, SHI Xiao	021-61418888
China Chengxin International Credit Rating Co., Ltd.	Building 6, Galaxy SOHO, No. 2 Nanzhugan Hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing		ZHANG Xinyu, DU Peishan	010-66428877
China Chengxin Green Finance Technology (Beijing) Limited	4/F, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing, 50532		MA Jun, LIU Chen	18732517000

Section X Particulars of Corporate Bonds (continued)

Changes in the above intermediaries

Applicable Not Applicable

Intermediary	Reason for change	Procedure followed	Impact on the equity of bond investors
Everbright Securities Co., Ltd.	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact
Huatai United Securities Co., Ltd.	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact
Guotai Junan Securities Co., Ltd.	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact

4. Use of raised funds at the end of the Reporting Period

Applicable Not Applicable

Unit: '000 Currency: RMB

Bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	500,000.00	500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (second tranche) (variety II) for qualified investors	1,500,000.00	1,500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (third tranche) (variety II) for qualified investors	1,000,000.00	1,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2020 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	2,200,000.00	2,200,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2020 public offering of renewable corporate bonds (second tranche) (variety I) for qualified investors	2,500,000.00	2,500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	1,800,000.00	1,800,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	1,300,000.00	1,300,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety I) for professional investors	2,000,000.00	2,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety II) for professional investors	1,000,000.00	1,000,000.00	–	Normal	No	Yes

Section X Particulars of Corporate Bonds (continued)

Bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety I) for professional investors	500,000.00	500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety II) for professional investors	1,000,000.00	1,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety I) for professional investors	1,000,000.00	1,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety II) for professional investors	1,000,000.00	1,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety I) for professional investors	2,200,000.00	2,200,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety II) for professional investors	800,000.00	800,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety I) for professional investors	1,500,000.00	1,500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety II) for professional investors	1,500,000.00	1,500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (first tranche) (variety I) for professional investors	3,000,000.00	3,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (second tranche) (variety I) for professional investors	2,000,000.00	2,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (first tranche) (variety I) for professional investors	1,000,000.00	1,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (first tranche) (variety II) for professional investors	1,500,000.00	1,500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (second tranche) (variety I) for professional investors	1,700,000.00	1,700,000.00	–	Normal	No	Yes

Section X Particulars of Corporate Bonds (continued)

Progress and operational effectiveness of the fund raised for construction projects

Applicable Not Applicable

Description of the change of use of the above bond proceeds during the Reporting Period

Applicable Not Applicable

Other Explanation

Applicable Not Applicable

5. Adjustment of credit rating results

Applicable Not Applicable

Other Explanation

Applicable Not Applicable

6. Implementation and changes in the status of guarantees, debt service plans and other debt service guarantees and their impact during the Reporting Period

Applicable Not Applicable

7. Other explanation on corporate bonds

Applicable Not Applicable

During the Reporting Period, the Company's renewable corporate bonds had no matters such as the exercise of renewal option, jump in interest rate, deferred interest, and mandatory interest payment. The renewable corporate bonds issued by the Company meet the definition and classification conditions of equity instruments in relevant accounting standards and are included in the accounting of other equity instruments.

Section X Particulars of Corporate Bonds (continued)

(III) Non-financial enterprise debt financing instruments in the inter-bank bond market

Applicable Not Applicable

1. Non-financial enterprise debt financing instruments

Unit: '000 Currency: RMB

Bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Method of principle repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited - 2019 second issue of medium-term note (variety II)	19 CRCC MTN002B	101901637	28 November 2019	29 November 2019	The notes will remain valid indefinitely until they are redeemed by the issuer pursuant to the terms of the issue and they will become due upon redemption by the issuer pursuant to the terms of the issue.	1,495,643	4.35 The interests of the note are paid in installments annually if the Company does not exercise the right of deferred payment of interest.	National Interbank Bond Market	Note 1	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited - 2021 first issue of medium-term note	21 CRCC MTN001	102101658	24 August 2021	25 August 2021	The notes will remain valid indefinitely until they are redeemed by the issuer pursuant to the terms of the issue and they will become due upon redemption by the issuer pursuant to the terms of the issue.	1,994,120	3.30 The interests of the note are paid in installments annually if the Company does not exercise the right of deferred payment of interest.	National Interbank Bond Market	Note 1	Auction, quote, inquiry, and agreement transaction	No

Section X Particulars of Corporate Bonds (continued)

Bond	Short name	Date of Code issuance	Value date	Maturity date		Balance of the bond	Interest	Method of principle repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited – 2022 first issue of medium-term note	22 CRCC MTN001	102282224	11 October 2022	12 October 2022	The notes will remain valid indefinitely until they are redeemed by the issuer pursuant to the terms of the issue and they will become due upon redemption by the issuer pursuant to the terms of the issue.	2,995,372	2.79	The interests of the note are paid in installments annually if the Company does not exercise the right of deferred payment of interest.	National Interbank Bond Market	Note 1	Auction, quote, inquiry, and agreement transaction	No
China Railway Construction Corporation Limited – 2023 first issue of medium-term note	23 CRCC MTN001	102382483	14 September 2023	15 September 2023	The notes will remain valid indefinitely until they are redeemed by the issuer pursuant to the terms of the issue and they will become due upon redemption by the issuer pursuant to the terms of the issue.	2,995,466	3.23	The interests of the note are paid in installments annually if the Company does not exercise the right of deferred payment of interest.	National Interbank Bond Market	Note 1	Auction, quote, inquiry, and agreement transaction	No

Note 1: Institutional investors in the national interbank bond market (excluding purchasers prohibited by the state's laws and regulations).

Company's response to the risk of termination of listing and trading of bonds

Applicable Not Applicable

Overdue bonds

Applicable Not Applicable

Payment of interest on bonds during the Reporting Period

Applicable Not Applicable

Section X Particulars of Corporate Bonds (continued)

Bond	Statement of interest payments
China Railway Construction Corporation Limited – 2019 second issue of medium-term note (variety II)	According to the Announcement on the Issuance Results of China Railway Construction Corporation Limited – 2019 Second Issue of Medium-term Note (Variety II), the issuance scale of “19 CRCC MTN002B” is RMB1.5 billion, with issuance interest rate of 4.35%. The Company paid the interest on the China Railway Construction Company Limited’s 2019 second issue of medium-term note (variety II) on 29 November 2023.
China Railway Construction Corporation Limited – 2020 first issue of medium-term note	According to the Announcement on the Issuance Results of China Railway Construction Corporation Limited – 2020 First Issue of Medium-term Note, the issuance scale of “20 CRCC MTN001” is RMB3.0 billion, with issuance interest rate of 4.42%. The Company paid the interest and principal on the China Railway Construction Company Limited’s 2020 first issue of medium-term note on 26 October 2023.
China Railway Construction Corporation Limited – 2021 first issue of medium-term note	According to the Announcement on the Issuance Results of China Railway Construction Corporation Limited – 2021 First Issue of Medium-term Note, the issuance scale of “21 CRCC MTN001” is RMB2.0 billion, with issuance interest rate of 3.30%. The Company paid the interest on the China Railway Construction Company Limited’s 2021 first issue of medium-term note on 25 August 2023.
China Railway Construction Corporation Limited – 2022 first issue of medium-term note	According to the Announcement on the Issuance Results of China Railway Construction Corporation Limited – 2022 First Issue of Medium-term Note, the issuance scale of “22 CRCC MTN001” is RMB3.0 billion, with issuance interest rate of 2.79%. The Company paid the interest on the China Railway Construction Company Limited’s 2022 first issue of medium-term note on 12 October 2023.
China Railway Construction Corporation Limited – 2023 first issue of super & short-term commercial paper	According to the Announcement on the Issuance Results of China Railway Construction Corporation Limited – 2023 First Issue of Super & Short-term Commercial Paper, the issuance scale of “23 CRCC SCP001” is RMB3.0 billion, with issuance interest rate of 2.19%. The Company paid the interest and principal on the China Railway Construction Company Limited’s 2023 first issue of super & short-term commercial paper on 28 June 2023.
China Railway Construction Corporation Limited – 2023 second issue of super & short-term commercial paper	According to the Announcement on the Issuance Results of China Railway Construction Corporation Limited – 2023 Second Issue of Super & Short-term Commercial Paper, the issuance scale of “23 CRCC SCP002” is RMB3.0 billion, with issuance interest rate of 2.20%. The Company paid the interest and principal on the China Railway Construction Company Limited’s 2023 second issue of super & short-term commercial paper on 27 June 2023.

Section X Particulars of Corporate Bonds (continued)

2. Triggering and implementation of issuers' or investors' option terms and investors' protection terms

Applicable Not Applicable

3. Intermediaries providing services for bond issuance and duration business

Intermediary	Office address	Name of signatory accountant	Contact	Tel
Agricultural Bank of China Limited	No. 69 Jianguomennei Avenue, Dongcheng District, Beijing		AN Liwei	010-85109045
Bank of China Limited	No. 1 Fuxingmennei Avenue, Xicheng District, Beijing		XIA Ji	010-66591814
Industrial and Commercial Bank of China Limited	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing		ZHANG Jian	010-81011847
China CITIC Bank Corporation Limited	Building 1, No.10 Courtyard, Guanghua Road, Chaoyang District, Beijing		ZHANG Tianyi	010-66635908
Bank of Communications Co., Ltd.	No. 188 Yincheng Middle Road, Pilot Free Trade Zone, Shanghai		ZHANGRU Mingjun	021-38873257
Bank of Beijing Co., Ltd.	1/F, No.17A Jinrong Avenue, Xicheng District, Beijing		XU Ai	010-68174873
The Export-Import Bank of China	No.30 Fuxingmennei Avenue, Xicheng District, Beijing		HOU Yiru	010-83578725
China Merchants Bank Co., Ltd.	No. 2016 Shennan Boulevard, Futian District, Shenzhen		ZHANG Lianming	0755-89278572
Beijing Deheng Law Office	12/F, Tower B, Focus Place, No.19 Jinrong Avenue, Xicheng District, Beijing		WANG Yuwei, YANG Yong	010-52682888
Deloitte Touche Tohmatsu Certified Public Accountants LLP	30/F, Bund Centre, No. 222 East Yan'an Road, Shanghai	MA Yanmei, YIN Lili, CHEN Xi, SHI Xiao	CHEN Xi, SHI Xiao	021-61418888
China Chengxin International Credit Rating Co., Ltd.	Building 6, Galaxy SOHO, No. 2 Nanzhugan Hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing		ZHANG Xinyu, DU Peishan	010-66428877

Changes in the above intermediaries

Applicable Not Applicable

Section X Particulars of Corporate Bonds (continued)

Intermediary	Reason for change	Procedure followed	Impact on the equity of bond investors
Bank of Communications Co., Ltd.	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact
Bank of Beijing Co., Ltd.	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact
The Export-Import Bank of China	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact
China Merchants Bank Co., Ltd.	Acting as the lead underwriter for new bond issuances	Normal recruiting procedures have been followed	No significant impact

4. Use of raised funds at the end of the Reporting Period

Applicable Not Applicable

Unit: '000 Currency: RMB

Bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
China Railway Construction Corporation Limited – 2019 second issue of medium-term note (variety II)	1,500,000.00	1,500,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited – 2020 first issue of medium-term note	3,000,000.00	3,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited – 2021 first issue of medium-term note	2,000,000.00	2,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited – 2022 first issue of medium-term note	3,000,000.00	3,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited – 2023 first issue of super & short-term commercial paper	3,000,000.00	3,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited – 2023 second issue of super & short-term commercial paper	3,000,000.00	3,000,000.00	–	Normal	No	Yes
China Railway Construction Corporation Limited – 2023 first issue of medium-term note	3,000,000.00	3,000,000.00	–	Normal	No	Yes

Section X Particulars of Corporate Bonds (continued)

Progress and operational effectiveness of the funds raised for construction projects

Applicable Not Applicable

Description of the change of use of the above bond proceeds during the Reporting Period

Applicable Not Applicable

Other Explanation

Applicable Not Applicable

5. Adjustment of credit rating results

Applicable Not Applicable

Other Explanation

Applicable Not Applicable

6. Implementation and changes in the status of guarantees, debt service plans and other debt service guarantees and their impact during the Reporting Period

Applicable Not Applicable

7. Other explanations of non-financial enterprise debt financing instruments

Applicable Not Applicable

During the Reporting Period, the Company's debt financing instruments had no matters such as the exercise of renewal option, jump in interest rate, deferred interest, and mandatory interest payment. The debt financing instruments issued by the Company meet the definition and classification conditions of equity instruments in relevant accounting standards and are included in the accounting of other equity instruments.

Section X Particulars of Corporate Bonds (continued)

(IV) The loss within the scope of consolidated statements of the Company during the Reporting Period exceeds 10% of its net assets at the end of the previous year

Applicable Not Applicable

(V) Overdue interest-bearing debts other than bonds at the end of the Reporting Period

Applicable Not Applicable

(VI) The impact on the rights and interests of bond investors of violations of the provisions of laws and regulations, the articles of association, the management system for information disclosure matters and the circumstances agreed or promised in the bond prospectus during the Reporting Period

Applicable Not Applicable

Section X Particulars of Corporate Bonds (continued)

(VII) Accounting data and financial indicators of the Company for the past 2 years as at the end of the Reporting Period

Applicable Not Applicable

Unit: '000 Currency: RMB

Principal indicators	2023	2022	Increase or decrease at this year as compared with the end of last year (%)	Reasons of change
Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss	24,580,442	24,127,443	1.88	
Liquidity ratio	1.07	1.08	-0.93	
Quick ratio	0.47	0.49	-4.08	
Gearing ratio (%)	74.92	74.68	Increased by 0.24 percentage point	
Total debt ratio of EBITDA	5.46%	5.67%	Decreased by 0.21 percentage point	
Interest coverage ratio	3.36	3.50	-4.00	
Cash flow interest coverage ratio	3.02	6.05	-50.08	Mainly due to the significant decrease in the net amount of cash flow generated from operating activities
Interest coverage multiples EBITDA	4.93	5.14	-4.09	
Loan repayment rate (%)	100.00	100.00	–	
Interest repayment rate (%)	100.00	100.00	–	

II. CONVERTIBLE BONDS OF THE COMPANY

Applicable Not Applicable

III. OTHER DEBENTURES ISSUED BY THE COMPANY DURING THE REPORTING PERIOD

Applicable Not Applicable

IV. CHANGES TO THE COMPANY'S MANAGEMENT SYSTEM FOR INFORMATION DISCLOSURE MATTERS

Applicable Not Applicable

Independent Auditor's Report

De Shi Bao (Shen) Zi (24) No. P02499

To the shareholders of China Railway Construction Corporation Limited:

I. OPINION

We have audited the accompanying financial statements of China Railway Construction Corporation Limited ("the Company", the Company and its subsidiaries collectively referred to as "the Group"), which comprise the consolidated and the Company's statements of financial position as at 31 December 2023, and the consolidated and the Company's statements of profit or loss and other comprehensive income, the consolidated and the Company's statements of changes in equity and the consolidated and the Company's cash flow statements for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of China Railway Construction Corporation Limited give a true and fair view, in all material respects, of the consolidated and the Company's financial position as of 31 December 2023, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The followings are key audit matters that we have determined to communicate in the independent auditor's report.

Independent Auditor's Report (continued)

III. KEY AUDIT MATTERS (Continued)

1. Revenue from construction operations

1.1 Description

As disclosed in Note V. 49 to the consolidated financial statements, the revenue of the Group is mainly derived from construction operations, which has significance to the consolidated financial statements. As stated in Note III. 21 to the consolidated financial statements, for most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time. The revenue is recognised during the contract period according to the expected total contract revenue and total contract costs based on the performance progress, which is determined by input method. The expected total contract revenue and total contract costs shall be determined according to the contract budget of the contracted project, which shall be continuously evaluated and revised during the execution of the contract. The relevant contract budget involves the management's use of significant accounting estimations and judgements. We identified the revenue from construction operations as a key audit matter due to the fact that the accounting treatments of which require significant estimations and judgments.

1.2 Audit Response

Our procedures in relation to recognition of revenue from construction operations mainly included:

- (1) Testing and evaluating the effectiveness of the key internal controls in place on budget preparation and revenue recognition of the construction operations;
- (2) Checking on a sample basis, whether the expected total contract revenue and total contract costs are consistent with the project contract and cost budget that they base on;
- (3) Checking construction costs incurred during the year by tracing to support documentation on a sample basis, and performing cut-off tests on construction costs;
- (4) Recalculating the calculation accuracy on performance progress of construction operations by reference to construction contract ledger on a sample basis;
- (5) Visiting the selected samples of sites of construction projects to observe the progress of the construction work, discussing with the site project managers the extent to which the construction work was completed, evaluating the reasonableness of the performance progress in record and performing gross margin analysis.

Independent Auditor's Report (continued)

III. KEY AUDIT MATTERS (Continued)

2. Impairment of trade receivables and contract assets

2.1 Description

As stated in Note III. 35 "Impairment of trade receivables and contract assets" to the consolidated financial statements, the Group measures loss allowances for trade receivables and contract assets based on lifetime expected credit losses. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually based on the evidence of credit-impairment and forward-looking information. Except for the trade receivables and contract assets whose impairment of credit losses are assessed individually, the Group's management classifies the trade receivables and contract assets into different portfolios based on collective credit risk characteristics, and uses provision matrix to assess expected credit losses. The provision rates of each portfolio are based on the Group's historical actual loss rates, taking into consideration forward-looking information. We identified the impairment of trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimates and judgements.

2.2 Audit response

Our procedures in relation to the impairment of trade receivables and contract assets mainly included:

- (1) Testing and evaluating the effectiveness of the key internal controls relating to the management and impairment test of trade receivables and contract assets;
- (2) Corroborating the relevant consideration and objective evidence used by the management in assessing the expected credit losses of trade receivables and contract assets;
- (3) For trade receivables and contract assets individually assessed for expected credit losses, reviewing the supporting documentation and assessing the reasonableness of the provision determined by the management based on the customer's financial and credit status, historical payment rate and the forecast of the future financial status on a sample basis;
- (4) For trade receivables and contract assets assessed by provision matrix based on collective credit risk characteristics for expected credit losses, assessing the reasonableness of portfolios classification and provision rates of each portfolio determined by the management, including recalculation of historical actual loss rates determined by the management, and involving our internal valuation specialists to evaluate the appropriateness of management's assessment of forward-looking information; Meanwhile, checking the appropriateness of classification of trade receivables and contract assets in the provision matrix based on collective credit risk characteristics for expected credit losses on a sample basis.

Independent Auditor's Report (continued)

IV. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the 2023 Annual Report, but does not include the financial statements and our independent auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing 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 financial statements.

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

- (1) Identify and assess the risks of material misstatement of the 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the 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 independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance 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.

Independent Auditor's Report (continued)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our independent 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.

Deloitte Touche Tohmatsu CPA LLP
Shanghai China

Chinese Certified Public Accountant: **Chen Xi**
(Engagement partner)

Chinese Certified Public Accountant: **Shi Xiao**
(Engagement partner)

28 March 2024

This independent auditor's report of the financial statements and the accompanying financial statements are English translations of the independent auditor's report and the financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Statement of Financial Position

As at 31 December 2023

RMB'000

ASSETS	Note V	31 December 2023	31 December 2022 (restated)
Current assets			
Cash and bank balances	1	166,957,837	158,424,810
Held-for-trading financial assets	2	1,629,785	961,298
Bills receivable	3	3,229,041	8,495,031
Receivables at fair value through other comprehensive income	4	2,723,520	3,321,965
Trade receivables	5	155,809,067	141,229,619
Advances to suppliers	6	21,712,629	27,473,837
Other receivables	7	56,902,615	66,050,468
Inventories	8	307,642,792	299,818,526
Contract assets	9	291,782,104	254,463,518
Held-for-sale assets		–	58,873
Current portion of non-current assets	10	29,531,809	26,080,161
Other current assets	11	26,831,432	23,674,072
Total current assets		1,064,752,631	1,010,052,178
Non-current assets			
Loans and advances to customers	12	1,686,305	1,445,190
Long-term receivables	13	109,859,078	80,554,812
Long-term equity investments	14	149,278,357	127,985,238
Debt investments	15	6,016,176	9,076,297
Other debt investments	16	5,115,845	4,934,663
Other non-current financial assets	17	10,287,149	8,387,687
Other equity instrument investments	18	12,575,571	11,940,051
Investment properties	19	11,399,446	9,898,342
Fixed assets	20	73,269,486	66,085,799
Construction in progress	21	5,810,715	7,593,171
Right-of-use assets	22	7,140,700	5,154,357
Intangible assets	23	69,736,458	62,530,742
Development expenditure		15,472	45,761
Goodwill	24	55,617	163,518
Long-term prepayments		852,730	791,514
Deferred tax assets	25	11,211,912	9,103,023
Other non-current assets	26	123,955,930	108,171,238
Total non-current assets		598,266,947	513,861,403
TOTAL ASSETS		1,663,019,578	1,523,913,581

Consolidated Statement of Financial Position (continued)

As at 31 December 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2023	31 December 2022 (restated)
Current liabilities			
Short-term loans	27	81,839,758	51,367,562
Due to customers	28	1,356,691	3,168,603
Bills payable	29	53,461,242	89,607,342
Trade payables	30	491,567,214	425,568,938
Advances from customers		233,083	311,908
Contract liabilities	31	150,196,302	164,118,787
Employee benefits payable	32	16,117,433	13,906,737
Taxes payable	33	9,059,277	8,936,891
Other payables	34	106,058,137	100,528,887
Current portion of non-current liabilities	35	54,468,518	45,527,795
Other current liabilities	36	33,694,786	31,594,097
Total current liabilities		998,052,441	934,637,547
Non-current liabilities			
Long-term loans	37	165,621,478	133,415,428
Bonds payable	38	31,031,549	28,096,696
Lease liabilities	39	4,080,407	2,451,292
Long-term payables	40	41,263,172	34,800,914
Long-term employee benefits payable		65,376	80,318
Provisions		1,449,484	1,137,854
Deferred income	41	1,012,593	1,056,021
Deferred tax liabilities	25	2,008,603	1,624,833
Other non-current liabilities		1,314,702	692,626
Total non-current liabilities		247,847,364	203,355,982
Total liabilities		1,245,899,805	1,137,993,529

Consolidated Statement of Financial Position (continued)

As at 31 December 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2023	31 December 2022 (restated)
Shareholders' equity			
Share capital	42	13,579,542	13,579,542
Other equity instruments	43	59,463,430	59,959,677
Capital reserve	44	48,847,173	48,907,056
Other comprehensive income	45	(667,494)	(819,139)
Special reserve	46	–	–
Surplus reserve	47	6,789,771	6,789,771
Retained earnings	48	181,825,095	161,981,132
Total equity attributable to owners of the Company		309,837,517	290,398,039
Non-controlling interests		107,282,256	95,522,013
Total shareholders' equity		417,119,773	385,920,052
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,663,019,578	1,523,913,581

The accompanying notes form part of the financial statements.

The financial statements on page 260 to page 600 have been signed by the following:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department:
Wang, Lei

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)
Revenue	49	1,137,993,486	1,096,312,867
Less: Cost of sales	49	1,019,683,082	985,747,674
Taxes and surcharges	50	4,296,937	4,173,433
Selling and distribution expenses	51	7,377,871	6,642,387
General and administrative expenses	52	23,466,318	21,873,045
Research and development expenses	53	26,725,454	25,003,936
Finance costs	54	4,661,449	3,578,296
Including: Interest expenses		7,459,090	6,143,183
Interest income		4,216,238	4,391,798
Add: Other income	57	954,634	1,098,735
Investment losses	58	(4,229,965)	(4,665,935)
Including: Share of profits (losses) of associates and joint ventures		564,987	(1,129,198)
Losses from derecognition of financial assets measured at amortised cost		(5,563,839)	(5,911,105)
Losses on fair value changes	59	(643,564)	(462,611)
Impairment losses on assets	55	(3,461,187)	(3,050,914)
Impairment of credit losses	56	(6,480,044)	(4,887,824)
Gains on disposal of assets		671,460	76,037
Operating profit		38,593,709	37,401,584
Add: Non-operating income	60	980,751	1,183,193
Less: Non-operating expenses	61	746,308	760,315
Profit before tax		38,828,152	37,824,462
Less: Income tax expenses	63	6,499,423	6,030,172
Net profit		32,328,729	31,794,290

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)
Classified by the continuity of operation			
Net profit from continuing operations		32,328,729	31,794,290
Net profit from discontinued operations		—	—
Classified by the ownership			
Net profit attributable to owners of the Company		26,096,971	26,680,796
Net profit attributable to non-controlling interests		6,231,758	5,113,494
Other comprehensive income/(expenses), net of tax			
Other comprehensive income attributable to owners of the Company, net of tax	45	363,575	412,141
Other comprehensive income/(expenses) not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		(41,838)	(209,526)
Others		(878)	(4,165)
Other comprehensive income/(expenses) to be reclassified to profit or loss			
Shares of other comprehensive income that will be reclassified subsequently into profit or loss by the investee under equity method		192,843	207,426
Changes in fair value of other debt investments		16,243	(11,684)
Exchange differences on translation of foreign operations		191,747	434,416
Changes in fair value of receivables at fair value through other comprehensive income		5,458	(4,326)
Other comprehensive income attributable to non-controlling interests, net of tax		11,950	21,324
Total comprehensive income		32,704,254	32,227,755
Including:			
Total comprehensive income attributable to owners of the Company		26,460,546	27,092,937
Total comprehensive income attributable to non-controlling interests		6,243,708	5,134,818
Earnings per share:			
Basic earnings per share (RMB/share)	64	1.73	1.76
Diluted earnings per share (RMB/share)	64	1.73	1.76

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		1,154,794,097	1,146,501,353
Refunds of tax		2,412,808	6,157,064
Net (decrease) increase in due to customers and due to banks		(1,811,912)	1,580,074
Cash received from other operating activities	65(1)	25,121,559	25,368,409
Subtotal of cash inflows from operating activities		1,180,516,552	1,179,606,900
Cash paid for goods and services		1,031,538,606	995,206,318
Net increase (decrease) in loans and advances to customers		250,000	(1,575,000)
Net (decrease) increase in balances with the central bank		(324,393)	371,030
Cash paid to and on behalf of employees		80,378,095	78,315,658
Payments of various types of taxes		30,931,897	30,169,398
Cash paid for other operating activities	65(2)	17,330,299	20,984,544
Subtotal of cash outflows from operating activities		1,160,104,504	1,123,471,948
Net cash flows generated from operating activities	66(1)	20,412,048	56,134,952
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		8,276,406	7,737,254
Cash received from investment income		2,804,336	1,311,902
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,856,043	2,469,661
Net decrease in cash and bank balances with title restrictions		95,594	3,541,005
Net cash received from disposal of subsidiaries	66(3)	16,483	2,917,275
Cash received from other investing activities	65(3)	1,903,558	3,919,717
Subtotal of cash inflows from investing activities		16,952,420	21,896,814

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023

ITEM	Note V	<i>RMB'000</i>	
		For the year ended 31 December 2023	For the year ended 31 December 2022
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		34,920,632	30,260,294
Cash paid for acquisition of investments		37,110,210	47,282,216
Cash paid for other investing activities		830,729	–
Subtotal of cash outflows from investing activities		72,861,571	77,542,510
Net cash flows used in investing activities		(55,909,151)	(55,645,696)
3. Cash Flows from Financing Activities:			
Cash received as capital contributions		15,085,432	34,974,590
Including: Cash received from non- controlling shareholders of subsidiaries		7,893,033	20,847,519
Cash received from issuing bonds		14,635,000	13,312,304
Cash received from borrowings		292,345,192	235,271,518
Cash received from other financing activities		1,466,955	1,262,277
Subtotal of cash inflows from financing activities		323,532,579	284,820,689
Cash repayments for borrowings		244,732,659	209,363,634
Cash paid for distribution of dividends or profits and for interest expenses		23,267,207	21,790,918
Including: Cash paid to non-controlling shareholders for distribution of dividends by subsidiaries		3,742,646	3,710,689
Cash paid for other financing activities	65(4)	10,941,208	19,771,914
Subtotal of cash outflows from financing activities		278,941,074	250,926,466
Net cash flows generated from financing activities		44,591,505	33,894,223

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(972,117)	390,152
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		8,122,285	34,773,631
Add: Cash and cash equivalents at beginning of the year	66(4)	144,515,492	109,741,861
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	66(4)	152,637,777	144,515,492

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2023									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2022	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	162,067,076	290,483,983	95,531,880	386,015,863
(I) Changes in accounting policies (Note III.36)	-	-	-	-	-	-	(85,944)	(85,944)	(9,867)	(95,811)
II. As at 1 January 2023 (restated)	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052
III. Increase/(decrease) during the year	-	(496,247)	(59,883)	151,645	-	-	19,843,963	19,439,478	11,760,243	31,199,721
(I) Total comprehensive income	-	-	-	363,575	-	-	26,096,971	26,460,546	6,243,708	32,704,254
(II) Capital contributions and withdrawals by shareholders	-	(496,247)	(59,883)	-	-	-	(114,667)	(670,797)	9,304,617	8,633,820
1. Capital contributions and withdrawals by Shareholders	-	-	49,639	-	-	-	(114,667)	(65,028)	9,188,065	9,123,037
2. Capital contributions and withdrawals by other equity instruments holders (Note V.43)	-	(496,247)	(11,354)	-	-	-	-	(507,601)	-	(507,601)
3. Equity transactions with non-controlling interests	-	-	(98,168)	-	-	-	-	(98,168)	116,552	18,384
4. Others	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	(6,350,271)	(6,350,271)	(3,788,082)	(10,138,353)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,350,271)	(6,350,271)	(3,788,082)	(10,138,353)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	19,301,569	-	-	19,301,569	-	19,301,569
2. Used in current year	-	-	-	-	(19,301,569)	-	-	(19,301,569)	-	(19,301,569)
(V) Others (Note V.45)	-	-	-	(211,930)	-	-	211,930	-	-	-
IV. As at 31 December 2023	13,579,542	59,463,430	48,847,173	(667,494)	-	6,789,771	181,825,095	309,837,517	107,282,256	417,119,773

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2022									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2021	13,579,542	63,253,806	44,886,585	(1,276,492)	-	6,789,771	141,556,080	268,789,292	77,703,704	346,492,996
(I) Changes in accounting policies (Note III.36)	-	-	-	-	-	-	(124,646)	(124,646)	(12,677)	(137,323)
II. As at 1 January 2022 (restated)	13,579,542	63,253,806	44,886,585	(1,276,492)	-	6,789,771	141,431,434	268,664,646	77,691,027	346,355,673
III. Increase/(decrease) during the year	-	(3,294,129)	4,020,471	457,353	-	-	20,549,698	21,733,393	17,830,986	39,564,379
(I) Total comprehensive income	-	-	-	412,141	-	-	26,680,796	27,092,937	5,134,818	32,227,755
(II) Capital contributions and withdrawals by shareholders	-	(3,294,129)	4,020,471	-	-	-	-	726,342	16,522,425	17,248,767
1. Capital contributions and withdrawals by Shareholders	-	-	-	-	-	-	-	-	9,378,585	9,378,585
2. Capital contributions and withdrawals by other equity instruments holders	-	(3,294,129)	(17,164)	-	-	-	-	(3,311,293)	-	(3,311,293)
3. Equity transactions with non-controlling interests	-	-	4,048,596	-	-	-	-	4,048,596	7,143,840	11,192,436
4. Others	-	-	(10,961)	-	-	-	-	(10,961)	-	(10,961)
(III) Profit distribution	-	-	-	-	-	-	(6,085,886)	(6,085,886)	(3,826,257)	(9,912,143)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,085,886)	(6,085,886)	(3,826,257)	(9,912,143)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	17,471,410	-	-	17,471,410	-	17,471,410
2. Used in current year	-	-	-	-	(17,471,410)	-	-	(17,471,410)	-	(17,471,410)
(V) Others (Note V.45)	-	-	-	45,212	-	-	(45,212)	-	-	-
IV. As at 31 December 2022	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052

The Company's Statement of Financial Position

As at 31 December 2023

		<i>RMB'000</i>	
ASSETS	<i>Note XIV</i>	31 December 2023	31 December 2022 (restated)
Current assets			
Cash and bank balances		19,640,835	17,919,976
Held-for-trading financial assets		63,368	71,040
Trade receivables	1	2,854,061	2,220,335
Advances to suppliers		574,398	309,918
Other receivables	2	18,985,581	26,646,967
Inventories		2,758	3,383
Contract assets		666,681	1,580,744
Current portion of non-current assets		10,800,000	9,570,770
Other current assets		149,127	426,861
Total current assets		53,736,809	58,749,994
Non-current assets			
Long-term receivables		43,541,609	40,287,333
Long-term equity investments	3	103,305,853	102,246,493
Other equity instrument investments		307,245	277,286
Fixed assets		352,035	26,086
Construction in progress		21,146	402,505
Right-of-use assets		3,200	32,582
Intangible assets		191,072	169,650
Long-term prepayments		6,494	2,030
Deferred tax assets		–	303
Other non-current assets		2,411,623	2,494,873
Total non-current assets		150,140,277	145,939,141
TOTAL ASSETS		203,877,086	204,689,135

The Company's Statement of Financial Position (continued)

As at 31 December 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note XIV	31 December 2023	31 December 2022 (restated)
Current liabilities			
Trade payables		9,451,734	8,217,624
Contract liabilities		388,349	869,992
Employee benefits payable		138,035	132,365
Taxes payable		8,799	188,770
Other payables	4	14,427,368	20,898,012
Current portion of non-current liabilities		542,228	1,247,027
Other current liabilities		595,629	556,915
Total current liabilities		25,552,142	32,110,705
Non-current liabilities			
Long-term loans	5	3,734,276	3,708,802
Lease liabilities		661	1,470
Long-term payables		3,030,202	2,154,374
Long-term employee benefits payable		4,904	7,394
Deferred income		4,050	–
Deferred tax liabilities		30,442	30,243
Total non-current liabilities		6,804,535	5,902,283
Total liabilities		32,356,677	38,012,988
Shareholders' equity			
Share capital	Note V. 42	13,579,542	13,579,542
Capital reserve		46,857,956	46,869,310
Other comprehensive income		64,440	41,971
Other equity instruments	Note V. 43	59,463,430	59,959,677
Special reserve		–	–
Surplus reserve	Note V. 47	6,789,771	6,789,771
Retained earnings		44,765,270	39,435,876
Total shareholders' equity		171,520,409	166,676,147
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		203,877,086	204,689,135

The Company's Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

RMB'000

ITEM	Note XIV	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)
Revenue	6	11,663,131	9,754,568
Less: Cost of sales	6	11,111,331	8,542,489
Taxes and surcharges		3,632	5,999
Selling and distribution expenses		436,400	88,395
General and administrative expenses		765,769	539,101
Research and development expenses		107,017	97,039
Finance costs	7	(2,285,681)	(1,571,900)
Including: Interest expenses		633,119	630,677
Interest income		2,903,756	3,123,900
Add: Other income		1,521	3,017
Investment income	8	10,171,449	11,504,567
Losses on fair value changes		(7,672)	(20,298)
Impairment gains on assets		9,584	1,326
Impairment of credit losses		(17,715)	(81,889)
Gains on disposal of assets		–	2
Operating profit		11,681,830	13,460,170
Add: Non-operating income		199	2,206
Less: Non-operating expenses		9,353	29,359
Profit before tax		11,672,676	13,433,017
Less: Income tax expenses		(6,989)	7,018
Net profit		11,679,665	13,425,999
Classified by the continuity of operation			
Net profit from continuing operations		11,679,665	13,425,999
Net profit from discontinued operations		–	–
Other comprehensive income/(expenses), net of tax		22,469	(23,265)
Other comprehensive income/(expenses) not to be reclassified to profit or loss			
Re-measurement of defined benefit plan, net of tax		–	(90)
Changes in fair value of other equity instrument investments		22,469	(23,175)
Total comprehensive income		11,702,134	13,402,734

The Company's Statement of Cash Flows

For the year ended 31 December 2023

RMB'000

ITEM	Note XIV	For the year ended 31 December 2023	For the year ended 31 December 2022
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		12,005,801	9,919,239
Refunds of tax		69	23,301
Cash received from other operating activities		41,101,074	37,141,854
Subtotal of cash inflows from operating activities		53,106,944	47,084,394
Cash paid for goods and services		11,410,624	10,279,420
Cash paid to and on behalf of employees		482,104	439,591
Cash paid for all taxes		39,229	26,185
Cash paid for other operating activities		34,757,589	29,966,544
Subtotal of cash outflows from operating activities		46,689,546	40,711,740
Net cash flows generated from operating activities	9(1)	6,417,398	6,372,654
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		28,471	–
Cash received from investment income		8,551,891	9,573,692
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9	3
Subtotal of cash inflows from investing activities		8,580,371	9,573,695
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		14,976	56,290
Cash paid for acquisition of investments		1,059,360	1,340,000
Net increase in cash and bank balances with title restrictions		25,745	15,094
Subtotal of cash outflows from investing activities		1,100,081	1,411,384
Net cash flows generated from investing activities		7,480,290	8,162,311

The Company's Statement of Cash Flows (continued)

For the year ended 31 December 2023

		<i>RMB'000</i>	
ITEM	<i>Note XIV</i>	For the year ended 31 December 2023	For the year ended 31 December 2022
3. Cash Flows from Financing Activities:			
Cash received as capital contributions		7,192,399	13,988,708
Cash received from borrowings		1,531,474	2,671,802
Cash received from issuing bonds		6,000,000	–
Subtotal of cash inflows from financing activities		14,723,873	16,660,510
Cash repayments for borrowings		13,134,333	1,523,502
Cash paid for distribution of dividends or profits and for interest expenses		6,442,726	6,149,469
Cash paid for other financing activities		7,734,004	17,333,656
Subtotal of cash outflows from financing activities		27,311,063	25,006,627
Net cash flows used in from financing activities		(12,587,190)	(8,346,117)
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(3,973)	145,451
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		1,306,525	6,334,299
Add: Opening Balance of Cash and Cash Equivalents	9(2)	18,757,618	12,423,319
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9(2)	20,064,143	18,757,618

The Company's Statement of Changes in Equity

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2023							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,692	166,675,963
(I) Changes in accounting policies	-	-	-	-	-	-	184	184
II. As at 1 January 2023 (restated)	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,876	166,676,147
III. Increase/(decrease) during the year	-	(496,247)	(11,354)	22,469	-	-	5,329,394	4,844,262
(I) Total comprehensive income	-	-	-	22,469	-	-	11,679,665	11,702,134
(II) Capital contributions and withdrawals by shareholders	-	(496,247)	(11,354)	-	-	-	-	(507,601)
1. Capital contributions and withdrawals by other equity instruments holders (Note V.43)	-	(496,247)	(11,354)	-	-	-	-	(507,601)
(III) Profit distribution	-	-	-	-	-	-	(6,350,271)	(6,350,271)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,350,271)	(6,350,271)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	194,411	-	-	194,411
2. Used in current year	-	-	-	-	(194,411)	-	-	(194,411)
IV. As at 31 December 2023	13,579,542	59,463,430	46,857,956	64,440	-	6,789,771	44,765,270	171,520,409

The Company's Statement of Changes in Equity (continued)

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2022							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2021	13,579,542	63,253,806	46,886,474	65,236	-	6,789,771	32,095,833	162,670,662
(I) Changes in accounting policies	-	-	-	-	-	-	(70)	(70)
II. As at 1 January 2022 (restated)	13,579,542	63,253,806	46,886,474	65,236	-	6,789,771	32,095,763	162,670,592
III. Increase/(decrease) during the year	-	(3,294,129)	(17,164)	(23,265)	-	-	7,340,113	4,005,555
(I) Total comprehensive income	-	-	-	(23,265)	-	-	13,425,999	13,402,734
(II) Capital contributions and withdrawals by shareholders	-	(3,294,129)	(17,164)	-	-	-	-	(3,311,293)
1. Capital contributions and withdrawals by other equity instruments holders	-	(3,294,129)	(17,164)	-	-	-	-	(3,311,293)
(III) Profit distribution	-	-	-	-	-	-	(6,085,886)	(6,085,886)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,085,886)	(6,085,886)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	185,153	-	-	185,153
2. Used in current year	-	-	-	-	(185,153)	-	-	(185,153)
IV. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,876	166,676,147

Notes to the Financial Statements

For the year ended 31 December 2023

I CORPORATE INFORMATION

China Railway Construction Corporation Limited (the “Company”) is a joint stock limited company with limited liability registered in Beijing in the People’s Republic of China (the “PRC” or “Mainland China”) on 5 November 2007. The Company’s shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered address of the Company’s head office is located at East No. 40 Fuxing Road, Haidian District, Beijing, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly consist of construction operations, planning, design and consultancy operations, trade and logistics, manufacturing operations and real estate development operations.

The Company’s parent and ultimate holding company is China Railway Construction Corporation (referred to as the “Controlling Shareholder”), a company registered in PRC.

These financial statements have been approved and authorised for issue by the board of directors of the Company on 28 March 2024.

The scope of consolidated financial statements shall be determined on the basis of control. Refer to Note VI for the changes of consolidation scope for the period.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared by the Group on a going-concern basis in accordance with *Accounting Standards for Business Enterprises* and other relevant provisions issued and revised subsequently by the Ministry of Finance of the People’s Republic of China (“Ministry of Finance”) (collectively referred to as “Accounting Standards for Business Enterprises”). In addition, the financial statements are also disclosed in accordance with *Information Disclosure and Presentation Rules for Companies Public offering Securities No. 15 – General Provisions on Financial Reporting* (revised by China Securities Regulatory Commission in 2023).

In accordance with the *Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong* issued by the Hong Kong Stock Exchange in December 2010, the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents issued by the Ministry of Finance and China Securities Regulatory Commission (“CSRC”), the Company ceased to provide financial reports prepared in accordance with *Accounting Standards for Business Enterprises* and *International Financial Reporting Standards* separately to A-share shareholders and H-share shareholders from the year of 2011 with the approval of the Company’s general meeting of shareholders. Instead, the Company provides all shareholders with financial reports solely prepared in accordance with *China Accounting Standards*, taking into account the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in preparing such financial reports.

The Group has adopted accrual basis for accounting measurement. The financial statements have been presented under the historical cost, except for certain financial assets which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and accounting estimates, including the impairment of receivables and contract assets, the measurement of inventories, the provisions for decline in value of inventories, the depreciation methods and the depreciation rates of the fixed assets, the amortisation methods of the intangible assets, the method of long-term assets impairment testing, and the policy for revenue recognition, etc.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present fairly and fully the financial position of the Group and the Company as at 31 December 2023 and the consolidated and the Company's financial performance, the consolidated and the Company's changes in equity and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company may determine their own functional currencies based on their specific economic environments. The Group adopts RMB to prepare its financial statements.

4. Determination method for materiality criterion and basis for selection

The Group applies the principle of materiality to prepare and present financial statements. An item is material if it is reasonably expected that the omission or misstatement of the item in the financial statements would affect the economic decision made by the user accordingly. When judging the materiality, the Group determined whether the item is material from two aspects, the nature of the item (whether it arises from the Group's normal activities, whether it materially affects the Group's financial position, financial performance, and cash flows, etc) and the amount of the item (the proportion of the amount to the Group's key financial indicator, including revenue, cost of sales, net profit, total assets, total liabilities, total shareholders' equity or the proportion to the amount of specific line item).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

5.1 Business

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, and its costs or revenue generated can be calculated independently.

The sets of activities and assets acquired in the combination can be considered as business only when the sets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When no output created on the acquisition date, the acquired processes are considered substantive by the Group 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, and including necessary materials, rights, other necessary economic resources and other necessary inputs, for example techniques, research and development projects, real estates, mining equity, etc.

When outputs created on the acquisition date, the acquired processes are considered substantive by the Group 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 costs.

When judging the sets of activities and assets acquired in the combination can be considered as business, the Group considers that it can be managed and operated as a business from the perspective of market participants, rather than judging by the management intention or the operating history of the acquiree.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations (Continued)

5.2 Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is a party being acquired. The combination date is the date on which the acquirer effectively obtains control of the party being acquired.

Assets and liabilities (including the goodwill recognised by the ultimate controlling party in acquisition of the acquiree) that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the combination date as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the year in which they are incurred.

5.3 Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations (Continued)

5.3 Business combinations involving entities not under common control (Continued)

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the purchase date.

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable assets. Goodwill is subsequently measured at cost deducted by accumulated provision. If the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognised in profit or loss.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was affected, the acquirer recognises and measures the combination using those provisional values. Any adjustments to those provisional values within twelve months after the acquisition date are treated as if they had been recognised and measured on the acquisition date.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control exists when the investor 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 over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (Continued)

All intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "non-controlling interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "net profit attributable to non-controlling interests" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under shareholders' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received on disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights related to administrative tasks only. The relevant activities of a structured entity are directed by means of contractual agreements. When the Group acts as an asset manager in a structured entity, the Group is required to determine whether it is exercising decision-making rights as a principal or an agent in the structured entities. If the Group (as an asset manager) is only acting as an agent, it exercises decision-making rights on behalf of the principal (other investors of the structured entities) and does not control the structured entities. If the Group (as an asset manager) is exercising decision-making rights on its own behalf, it is the principal and controls the structured entities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Joint arrangement and joint operations

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 arrangement.

In respect of joint operations, the Group as a party of joint operation recognises its interest in a joint operation: (1) its assets held individually and its share of assets held jointly; (2) its liabilities assumed individually and its share of liabilities assumed jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its expenses incurred individually and its share of expenses incurred jointly.

The Group measures its joint ventures under equity method, please refer to Note III. 13.3.2.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and foreign currency translations

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rate ruling at the balance sheet date. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign spot exchange rates at the transaction dates and do not change the amounts of functional currency.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Foreign currency transactions and foreign currency translations (Continued)

For foreign operations, the Group translates functional currencies of overseas financial statements into RMB financial statements. All assets and liabilities are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the spot exchange rates ruling at the transaction dates; all items in the statement of profit or loss and other comprehensive income and items reflect amounts of profit distribution are translated at the spot exchange rates at the transaction dates. The undistributed profit at the beginning of the year/period equals the translated undistributed profit of the previous year/period; the undistributed profit at the end of the year/period is calculated according to the translated profit distribution items. Exchange fluctuations arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to profit or loss in the same period.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the spot exchange rates ruling at the dates of the cash flows. The effect of changes in exchange rates on cash and cash equivalents are presented as a reconciled item separately in the statement of cash flows.

10. Financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument. For the financial assets that are purchased and sold under regular ways, the assets to be acquired and the liabilities to be assumed are recognised on the trade days, and the assets sold are derecognised on the trade days.

On initial recognition, financial assets and financial liabilities are recognised at fair value. For financial assets and financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss; transaction costs relating to other categories of financial assets and financial liabilities are included in the value initially recognised. For trade receivables initially recognised that do not contain a significant financing component or a financing component included in the contracts less than one year which are not considered, which are within the scope of *Accounting Standard for Business Enterprises No. 14 – Revenue* (ASBE No. 14), transaction prices shall be adopted on initial recognition.

The effective interest method is a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation of the interest income or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all the contractual terms of the financial asset or financial liability (for example, prepayment, extension, call option or similar options) but shall not consider the expected credit losses.

The amortised cost of a financial asset or a financial liability is the amount of a financial asset, or a financial liability initially recognised net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative credit loss allowance (only applicable to financial assets).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

10.1.1 Financial assets measured as at amortised cost

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model of which objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial assets measured at amortised cost. The Group's financial assets measured at amortised cost including cash and bank balances, bills receivable, trade receivables, other receivables, loans and advances to customers, long-term receivables due within one year that are presented under non-current assets due within one year and debt investments due within one year that are presented under non-current assets due within one year.

The above financial assets are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

Interest income from financial assets at amortised cost and at fair value through other comprehensive income is recognised based on the effective interest method. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial asset, except:

- (1) For the purchased or internally generated credit-impaired financial assets, the Group recognises interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- (2) For the purchased or internally generated financial assets without credit-impairment but subsequently becoming credit-impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If the credit impairment no longer exists due to an improvement in credit risk of the financial instruments subsequently and such improvement is relevant to some events occurred after applying the policies mentioned above, the Group recognises interest income based on applying effective interest rate to gross carrying amount of the financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets (Continued)

10.1.2 Financial assets classified as at fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income: the financial asset is held within a business model of which objective is achieved by both collecting contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as at FVTOCI are presented by the Group as other debt investments (non-current assets due within one year and are present as Current portion of non-current assets) and receivables at FVTOCI in financial statements.

Financial assets classified as at FVTOCI's relevant loss/gain on impairment and interest income based on effective interest rate are recognised in profit or loss. Except for the above circumstances, changes in fair value of such financial assets are all recognised in other comprehensive income. Such financial assets' changes that are recognised in profit or loss in each period equal to their changes that are recognised in profit or loss in each period as they are measured at amortised cost from acquisition date. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in profit or loss.

10.1.3 Financial assets designated as at fair value through other comprehensive income

On initial recognition, the Group may irrevocably designate non-trading equity instruments as financial assets at fair value through other comprehensive income on an individual basis. Financial assets designated as at fair value through other comprehensive income are presented by the Group as other equity instrument investments in financial statements.

The fair value changes of such financial asset is recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in equity instruments, dividend income is recognised in profit or loss for the period when the Group has right to collect dividend, the economic benefits associated with dividend will probably flow into the Group and the amount of dividend can be reliably measured.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets (Continued)

10.1.4 Financial assets measured at fair value through profit or loss (FVTPL)

Any financial assets that do not qualify for amortised cost measurement or measurement at FVTOCI or designated at FVTOCI are classified into financial assets at FVTPL. FVTPL are presented by the Group as held-for-trading financial assets and other non-current financial assets items in the statement of financial position, based on its liquidity.

The above financial assets are subsequently measured at fair value. Gains or losses arising from fair value changes and dividends and interest income in relation to such financial assets are recognised in profit or loss for the period.

10.2 Impairment of financial assets

The Group recognises loss allowance for financial assets measured as at amortised cost, financial assets classified as at FVTOCI, lease receivables, contract assets and financial guarantee contracts based on expected credit losses ("ECL").

The Group measures loss allowance for contract assets, trade receivables and lease receivables based on the amount of full lifetime ECL.

For other financial instruments, except for the purchased or internally generated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has not increased significantly since initial recognition, the Group recognises loss allowance based on 12-month ECL of the financial instrument. If the credit risk of the above financial instruments has increased significantly, the Group measures loss based on the amount of ECL for their full lifetime. The increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for financial assets classified as at FVTOCI, impairment of credit losses decreases the gross carrying amount of financial assets. For financial assets classified as at FVTOCI, the Group recognises credit loss allowance in other comprehensive income and does not decrease the carrying amount of such financial assets in the statement of financial position.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, at each balance sheet date, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at each balance sheet date. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment.

10.2.1 Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group uses available, reasonable and supportable forward-looking information, to compare 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. For financial guaranteed contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: Whether the actual or expected operating results of the debtor have changed significantly; Whether supervisory, economic or technical environment for the debtor has significant detrimental changes; Whether value of collateral against debt mortgage or guarantee/ credit enhancement provided by a third party has changed significantly. It is expected that the aforesaid changes are economic motives that will lower the debtor's repayment based on contractual stipulation or have an impact on probability of default; Whether the debtor's expected performance and repayment activities have changed significantly; Whether the Group's financial instrument management measures have changed, etc.

At the balance sheet date, the Group assumes that credit risk of the financial instrument has not increased significantly since initial recognition when the Group determines that the financial instrument is only exposed to low credit risk. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the debtor 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 debtor to fulfil its contractual cash flow obligations.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.2 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 the financial asset have occurred. Evidence of credit-impairment includes observable data about the following events:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) A breach of contract by the debtor, such as a default or overdue in interest or principal payments;
- (3) The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It becomes probable that the debtor will enter bankruptcy or other financial reorganisations;
- (5) Other objective evidence indicating the impairment of financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.3 Measurement and recognition of ECL

The Group recognises credit losses for lease receivables and financial guarantee contracts on an individual basis. For trade receivables and contract assets, the Group individually assesses credit losses for those individually significant and credit-impaired and uses provision matrix to assess credit losses for the remaining. For other financial assets measured as at amortised cost and financial assets measured at fair value through other comprehensive income, the Group assesses credit losses on an individual basis for those individually significant and credit-impaired or those individually significant and their credit risk has increased significantly since initial recognition but not credit-impaired, besides, the Group uses provision matrix to assess credit losses for the remaining. The Group classifies financial instruments into different groups based on credit risk characteristics. Credit risk characteristics include type of financial instruments, credit risk rating, contractual billing period and industry of debtor etc.

ECL of relevant financial instruments is recognised based on the following methods:

- (1) For a financial asset, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (2) For a lease receivable, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (3) For a financial guarantee contract, credit loss is the present value of difference between 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.
- (4) For credit-impaired financial assets other than the purchased or internally generated of credit-impaired financial assets at the balance sheet date, credit loss is the difference between the gross carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.3 Measurement and recognition of ECL (Continued)

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

10.2.4 Reduction in financial assets

The Group directly reduces the gross carrying amount of financial assets when ceasing to reasonably expect that the contractual cash flow of such financial assets may be fully or partially recoverable. Such reduction comprises derecognition of relevant financial assets.

10.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; or (3) although the financial asset has been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group has not retained control of the financial asset.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.3 Transfer of financial assets (Continued)

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- (1) For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- (2) For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the date of derecognition and the consideration received from the transfer; and (2) the accumulated changes in fair value initially recorded in other comprehensive income is recognised in profit or loss. While regarding non-trading equity instruments designated as at fair value through other comprehensive income, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.3 Transfer of financial assets (Continued)

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts at the date of transfer. The difference between (1) the consideration received from the transfer; and (2) the cumulative changes in fair value previously recognised in other comprehensive income allocated to the part derecognised plus the carrying amount allocated to the part derecognised is recognised in profit or loss. If the Group transfers a financial asset that belongs to non-trading equity instrument investments designated as at FVTOCI, the cumulative gains or losses previously recognised in other comprehensive income allocated to the part derecognised are transferred and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and recognises the consideration received as a liability.

10.4 Classification and measurement of financial liabilities

The Group's financial instruments or their components are, on initial recognition, classified into financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms and in combination with definitions of financial liability and equity instruments, instead of only on the basis of the legal form.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

10.4.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated as at fair value through profit or loss.

Held-for-trading financial liabilities are subsequently measured at fair value, any gains or losses arising from changes in fair value and any dividend or interest income earned on the financial liabilities are recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.4 Classification and measurement of financial liabilities (Continued)

10.4.2 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, gains or losses arising from derecognition, or amortisation are recognised in profit or loss for the period.

10.4.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognised less cumulative amortisation amount during the guarantee period.

10.5 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Changes of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, dividends paid do not affect total amount of shareholders' equity.

10.7 Derivatives and embedded derivatives

Derivative financial instruments related to the Group include option contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The changes in fair value are recognised in profit or loss.

For hybrid contract constituted by embedded derivatives and host contract, if the host contract is a financial asset, the embedded derivative is not separated from the hybrid contract, and the hybrid contract shall be taken as a whole to apply to the accounting standards for the classification of financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.7 Derivatives and embedded derivatives (Continued)

If the host contract included in the hybrid contract is not a financial asset and meets all of the following criteria, the embedded derivative shall be separated from the hybrid contract by the Group and treated as a standalone derivative.

- (1) The economic characteristics and risks of the embedded derivative are not highly related to the economic characteristics and risks of the host contract;
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (3) The hybrid instrument is not designated as a financial asset or financial liability at fair value through profit or loss.

If the embedded derivative is separated from the hybrid contract, the host contract shall be accounted for in accordance with the appropriate standards. If the Group is unable to measure reliably the fair value of an embedded derivative on the basis of its terms and conditions, the fair value of the embedded derivative is the difference between the fair value of the hybrid contract and the fair value of the host. If the Group is still unable to measure the fair value of the embedded derivative separately either at acquisition or at a subsequent reporting date after the above methods are applied, it designates the entire hybrid contract as a financial instrument at fair value through profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.8 Convertible bonds

Convertible bonds issued by the Group that contain liability and conversion option are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is accounted for as equity rather than conversion option derivatives.

Convertible bonds are initially recognised at fair value at the issue date. If the convertible bonds include equity instruments, the fair value of liability component of the convertible bonds is determined based on the market value of similar bonds which have no conversion option. The balance of issue price and the fair value of liability is the value of conversion option and is recognised in shareholders' equity. The liability and conversion-embedded derivatives of the convertible bonds which include conversion embedded derivatives are initially recognised at fair value at the issue date.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss. The conversion option classified as equity remains in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of the convertible bonds are allocated to the liability, equity and derivative financial instruments components in proportion to their respective fair values. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the derivative financial instruments are charged to profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.9 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset, and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

11. Inventories

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties held for sale. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, expenditures of land development, construction costs, infrastructure costs, costs of supporting facilities and other relevant costs.

Inventories are initially measured at actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined using the first-in first-out, weighted average or specific identification method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised using immediate write-off, and other turnover materials are amortised based on the number of times that they are estimated to be used.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realisable value. If the cost is in excess of net realisable value, provision for inventories is recognised in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the profit or loss for the current period.

Net realisable value is the estimated selling price under normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Held-for-sale assets

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognised before being classified to held-for-sale category is not reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments

13.1 Basis for determining joint control and significant influence

Control exists when the investor 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 over the investee to affect its returns. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. 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. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

13.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree on the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred, and liabilities assumed adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition on the date of combination. For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not under common control, this should be dealt with for whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as one transaction to acquire control. If it does not belong to 'package deal', the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for other investments in equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.2 Determination of initial investment cost (Continued)

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fee, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with *Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement* (ASBE No. 22) and the additional investment cost.

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.3 Subsequent measurement and recognition of profit or loss (Continued)

13.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence, and a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or other comprehensive income respectively for the period. Meanwhile, the carrying amount of long-term equity investments will be adjusted accordingly; for the share of the investee's profit or cash dividends declared by the investee, the carrying amount of long-term equity should be decreased accordingly; for changes in owner's equity rather than the investee's net profit or loss, other comprehensive income and profit distribution, carrying amount of long-term equity investments should be adjusted and included in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investee adopts different accounting policies and accounting period with the Company's, the financial statements are adjusted in accordance with the Company's accounting policies and accounting period, and then investment income and other comprehensive income are recognised. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures and contributions or sales of assets that do not constitute business are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised profit or loss resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.3 Subsequent measurement and recognition of profit or loss (Continued)

13.3.2 Long-term equity investment accounted for using the equity method (Continued)

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

13.4 Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the consideration shall be recorded through profit or loss in the current period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee, recognised in profit or loss of current period and carried forward proportionately; other shareholders' equity recognised from changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, is accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately; changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution are recognised in profit or loss for the current period and carried forward proportionately.

The Group loses control on investee due to disposal of part of shares, when preparing separate financial statement, remaining shares after disposal which can make joint control or significant influence on investee, are accounted under equity method, and are adjusted as they are accounted under equity method from acquisition date; if remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instrument, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Investment properties

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out; land use rights held for transfer upon capital appreciation; and buildings that are leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment real estate is disposed of or permanently retired from use and no economic benefits are expected from its disposal, the investment real estate shall be derecognised.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets

A fixed asset is a tangible asset of which useful life exceeds one accounting year and which is held for production of goods, rendering services, offering leases or operation and management. A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditure shall be recognised in profit or loss for the period in which it is incurred.

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, the cost of the fixed asset shall be determined based on the present value of the instalment payments. The difference between the actual payment and the present value of the purchase price is recognised in profit or loss over the credit period, except for such difference that is capitalised according to *Accounting Standard for Business Enterprises No. 17 – Borrowing Costs* (ASBE No. 17).

The accelerated depreciation method is adopted for depreciation of the fixed assets specifically used for research and development. The units of production method is adopted for the depreciation of part of the large-scaled construction equipment. For other fixed assets, the straight-line method is adopted.

For fixed assets depreciated with the straight-line method, the estimated useful lives, estimated residual values rates and annual depreciation rates by category are as follows:

Category	Estimated residual value rates	Useful lives	Annual depreciation rates
Buildings	5%	20-35 years	2.71%-4.75%
Machinery	5%	10-25 years	3.80%-9.50%
Vehicles	5%	5-10 years	9.50%-19.00%
Production equipment	5%	5-10 years	9.50%-19.00%
Measuring and testing equipment	5%	5 years	19.00%
Others	5%	3-5 years	19.00%-31.67%

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

Where the individual component parts of a fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at the end of each year, makes adjustments and accounts for any change as a change in an accounting estimate when necessary.

16. Construction in progress

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowings before the asset is ready for its intended use, and other related expenditures during the period of construction.

The timing and criteria of construction in progress to be ready for its intended use are as follows:

Buildings	completion and acceptance
Machinery and equipment	completion of installation and acceptance

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Borrowing costs

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the construction or production of qualifying assets are capitalised and other borrowing costs are recognised as expenses. A qualifying asset is defined as a fixed asset or inventory that necessarily takes a substantially long period of time to get ready for its intended use or sale.

Capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have incurred;
- (2) borrowing costs have incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised as expenses in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalisation are the actual borrowing costs incurred during the current period deducted by any temporary interest or investment income; and
- (2) for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the capital expenditure that accumulated capital expenditures exceed the specific borrowings.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Borrowing costs (Continued)

Capitalisation of borrowing costs is suspended during extended periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than three months, until the acquisition or construction is resumed. Borrowing costs incurred during the suspension period are recognised as expenses until the acquisition or construction of a fixed asset is resumed.

18. Intangible assets

The Group's intangible assets include land use rights, concession rights, software licenses, mining rights and others.

An intangible asset shall be recognised only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination involving entities not under common control with a fair value that can be measured reliably are recognised separately as intangible assets and measured initially at fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the traffic volume basis, straight-line basis or unit of production basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each year end.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.1 Land use rights

Land use rights represent costs incurred for a certain lease period of land.

The Group accounts for its land use rights as intangible assets. The land use rights of self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortised on the straight-line basis according to the useful lives approved in the obtained land use certificates.

18.2 Concession rights

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and other construction works) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority, or the Group purchases the concession rights directly. The assets under the concession arrangements are accounted for according to their arrangement nature, and details are set out in Note III.34.

The amortisation approach, either the traffic volume method or the straight-line method, should be selected for concession operation projects based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations.

18.3 Software licenses

The software licenses are recorded at the price actually paid upon acquisition and are amortised equally over the estimated useful life of one to ten years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.4 Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortisation is calculated in adoption of the unit of production method based on proved mining reserves.

18.5 Development expenditure

Collection scope of R&D expenditure includes wages, salaries and benefits of personnel directly engaged in R&D activities; expenses of materials, fuel and power directly consumed by R&D activities; depreciation expenses of instruments and equipment of R&D activities; leasing and maintenance expenses of R&D sites; travel, transportation and communication fee required by research and test development; as well as the entrusted development expenditure, etc.

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: 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; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

19. Long-term prepayments

Long-term prepayments represent expenditures incurred which should be recognised as expenses over one year and should be allocated in current and subsequent periods, including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortised on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognised in profit or loss immediately as incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Provisions

Except for contingent liabilities assumed in business combinations involving entities not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

21. Revenue

The revenue of the Group is mainly generated from business types as follows:

- The construction operations, which mainly comprises the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- The planning, design and consultancy operations, which mainly comprises the provision of planning, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- The manufacturing operations, which mainly comprises the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- The real estate development operations, which mainly comprises the development, construction and sale of residential properties and commercial properties;
- The other business operations, which mainly comprises trade and logistics, finance and insurance brokerage and highway operation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

When (or as) a performance obligation in a contract is satisfied, i.e., when (or as) the customer obtains control of relevant goods or services, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

A performance obligation is the Group's promise to transfer to a customer a good or service (or a bundle of goods or services) that is distinct, in a contract with the customer.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. When the Group is not able to reasonably measure its performance progress, the Group recognises revenue only to the extent of the recoverable amount of costs incurred until such time that it can reasonably measure the performance progress.

For planning, design and consultancy operations, manufacturing operations, real estate development operations and other business operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts that the Group expects to refund to the customer.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

Significant financing component

For contracts that contain significant financing components, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when the control of goods or services is transferred to the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and shall recognise the reduction of revenue when (or as) the later of either of the following events occurs: (1) the Group recognises revenue for the transfer of the related goods or services to the customer; and (2) the Group pays or promises to pay the consideration.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to each performance obligation on a basis of relative stand-alone selling price, at which an entity would sell a promised good or service separately to a customer. When an entity has observable evidence that the contract discount or the variable consideration relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate the contract discount or the variable consideration to one or more, but not all, performance obligations in the contract.

The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Sales with warranties

For sales with warranties, if the warranties are separate services to the customer other than serving as an assurance that the products sold comply with agreed-upon specifications, the warranties constitute single performance obligations. Otherwise, the Group accounts for warranties in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies* (ASBE No. 13).

Principal versus agent

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party or is determined by some established amounts or proportions.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs as an asset if it expects to recover these costs. The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year. Other costs of obtaining a contract are recognised in profit or loss when they occur, unless they are going to be reimbursed by customers. The asset is presented as other current assets or other non-current assets according to whether the amortisation period exceeds one normal operating period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than ASBE No. 14, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset is presented as inventories or other non-current assets according to whether the amortisation period exceeds one normal operating period.

The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised as expenses in relevant periods.

When determining the impairment loss of assets related to the contract cost, in the first place, the impairment loss of other assets related to the contract and recognised in accordance with other relevant business accounting standards should be determined; Then, the Group shall recognise an impairment loss to the extent that the carrying amount of the asset mentioned above exceeds the difference between the following items: (1) the remaining amount of consideration that the Group expects to receive in transfer for the goods or services to which the asset relates; (2) the estimated costs that relate to transferring those goods or services and that have not been recognised as expenses.

The Group shall, after the impairment has been provided, recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Contract assets

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract assets are specified in Note III. 10.2. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

22. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attached and the Group would receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value of the asset. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

22.1 Judgment basis and accounting treatments for government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets.

Government grants related to assets are charged against carrying amount in related assets when related assets become ready for their intended use.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Government grants (Continued)

22.2 Judgment basis and accounting treatments for government grants related to income

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

For repayment of a government grant already recognised, if government grants were charged against carrying amount of the related assets at initial recognition, the repayment adjusts the carrying amount of assets. If there is related deferred income, the repayment is offset against the gross carrying amount of the deferred income, and any excess is recognised in profit or loss for the period. If there is no related deferred income, the repayment is recognised immediately in profit or loss for the period.

22.3 Relocation compensation received due to public interests

The Group receives relocation compensation directly from the government for the benefit of public interests such as urban overall planning, reservoir construction, and renovation of shanty towns and subsidence area control. The relocation compensation is paid out of financial budgets by the government and is recognised as special payable when received. Therein compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income and recognised as government grants relating to assets and government grants related to income accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Income tax

Income tax expenses comprise current and deferred tax. Current tax expenses and deferred tax expenses are recognised as income or expenses in profit or loss for the current period, except for the deferred tax as an adjustment of goodwill arising from a business combination, or the current tax expenses and the deferred tax expenses to be recognised directly in other comprehensive income or shareholders' equity, which arise from transactions or events that should be recognised directly in other comprehensive income or shareholders' equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

Based on the temporary differences between the carrying amount of an asset or liability on the balance sheet date and its tax base, and the differences between the carrying amount of some items that have a tax base but are not recognised as assets and liabilities and their tax base, the Group adopts the liability method for the provision for deferred tax.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, it affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Income tax (Continued)

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of deductible tax losses and tax credits can be utilised, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination, at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identical asset for a period of time in exchange for consideration.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at inception. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

24.1 As a lessee

Separating components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises a right-of-use asset at the commencement date of the lease. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset shall include:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the Group; and
- (4) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease terms are depreciated from commencement date to the end of their useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets* (ASBE No.8).

Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of a lease, the Group recognises the lease liability at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determined.

The lease payments are payments to the lessor for the right to use the underlying asset during the lease term made by the Group:

- (1) fixed payments, including in-substance fixed payments, less any lease incentives receivable, if applicable;
- (2) the exercise price of a purchase option reasonably certain to be exercised by the Group;
- (3) payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, the Group recognises interest expenses in each accounting periods during the lease, based on a constant periodic rate of interest on the remaining balance of the lease liabilities. The interest expenses are recognised into profit or loss for the current period or the cost of the related assets.

After the commencement date, if the lease term or the assessment of purchase option changes, the Group shall remeasure the lease liability, according to modified lease payments and present value with modified discount rates and make corresponding adjustments to the related right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group shall recognise any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and vehicles and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset is a lease that the single underlying asset, when is new, is of low value. The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and re-measures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

24.2 As a lessor

Separating components of a contract

For a contract that contains lease components and non-lease components, the Group applies ASBE No. 14 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Classification of leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.2 As a lessor (Continued)

Recognition and measurement as a lessor of an operating lease

The Group recognises lease receivables from operating leases as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

For the contingent receivables not included in the operating lease receivables, the Group recognises into profit or loss when received.

24.3 Sale and leaseback transactions

As a seller-lessee

The Group applies the requirements of ASBE No. 14 to assess whether the sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For the sales and leaseback transaction that does not constitute a sale, the Group continues to recognise the transferred asset, and recognises a financial liability which equals to the transfer proceeds and accounts for the financial liability applying ASBE No. 22. If the sales and leaseback transaction constitute a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Impairment of long-term assets

The Group determines the impairment of assets, other than the impairment of inventories, deferred tax assets, financial assets, contract assets and assets related to the costs incurred in fulfilling a contract, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset. Goodwill arising from a business combination and an intangible asset with an indefinite useful life is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset or an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is recognised as a provision for impairment loss and profit or loss for the current period.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

In impairment testing for goodwill, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognised any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent periods.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouses, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

26.1 Short-term benefits

In the period of employee services, short-term benefits are actually recognised as liabilities and charged to profit or loss or the related costs of assets for the current period.

26.2 Post-employment benefits (defined contribution plans)

If employees of the Group participate in the basic pension insurance and unemployment insurance plans managed by local governments and participate in the supplementary pension insurance of the Group as well, the relevant expenditures are recorded in the relevant capital costs and expenses in the period when incurred.

26.3 Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured using the projected cumulative unit credit method.

Any re-measurement caused by the defined benefit plans, including actuarial gains or losses, is recognised in the statement of financial position immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be reversed to profit or loss in the subsequent accounting periods.

The past service costs should be recognised as current expenses at the earlier of the following dates: (1) when the Group modifies the defined benefit plans; and (2) when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognised changes in the net defined benefit obligation as general and administrative expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits (Continued)

26.4 Termination benefits

The Group recognises a liability and expenses for termination benefits at the earlier of the following dates: (1) when the Group can no longer unilaterally withdraw the offer of those benefits for proposals or suggestions for termination of employment; and (2) when the Group recognises costs or expenses for restructuring and involves the payment of termination costs or expenses.

26.5 Housing funds

All full-time employees of the Group in Mainland China are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees.

26.6 Bonus entitlements

The estimated cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are estimated to be settled within 12 months and are measured at the amounts estimated to be paid when they are settled.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring

27.1 Recording of debt restructuring obligation as the debtor

When a debt is settled by an asset in a debt restructuring, the Group derecognises the relevant asset and the debt settled when the derecognition criteria for the asset and the debt are satisfied. The difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognised in profit or loss for the current period.

When a debt is converted into an equity instrument in a debt restructuring, the Group derecognises the debt settled when the derecognition criteria for the debt are satisfied. On initial recognition, the equity instrument are recognised at fair value. When the fair value of the equity instrument cannot be measured reliably, the equity instruments are recognised at the fair value of the debt. The difference between the carrying amount of the debt and the carrying amount of the equity instrument is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the debt restructured in accordance with ASBE No. 22 and *Accounting Standard for Business Enterprises No.37- Presentation of Financial Instruments* (ASBE No. 37).

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group recognises and measures the equity instrument and the debt restructured in accordance with the policies regarding debts settled by assets and debts converted into equity instruments, as mentioned above. The difference between the carrying amount of the debt and the sum of the carrying amount of the assets transferred, the carrying amount of the equity instrument recognised and the carrying amount of the debt restructured, is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring (Continued)

27.2 Recording of debt restructuring obligation as the creditor

When a debt is settled by assets in a debt restructuring, on initial recognition of the assets other than financial assets, the assets are recognised at cost.

- (1) The cost of inventories includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, insurance and other costs, for bringing the assets to the current position and condition;
- (2) The cost of fixed assets includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, installation costs, professional service costs and other costs, for bringing the assets to working condition for intended use.

The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When the debt restructuring causes the Group to convert the debt receivable to an equity investment of joint ventures or associates, the creditor shall measure the equity investment based on the sum of the fair value of debt receivable, and any directly attributable taxes and other costs of the investment. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the restructured debt receivable in accordance with ASBE No. 22.

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group first recognises and measures the financial assets received and restructured debt receivable in accordance with ASBE No. 22, and then allocates the net value, which is the fair value of the debt receivable deducted by the recognised total carrying amount of financial assets received and restructured debt receivable, to the costs of non-financial assets received based on their relative fair value. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Non-monetary Transactions

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the non-monetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the non-monetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

When several assets are received at the same time in a non-monetary transaction, if the transaction is measured at fair value, the cost of each asset other than financial assets received is determined by apportioning the net amount, which is the total fair value of all assets given up deducted by the fair value of the financial assets received, based on the proportion of the fair value of each asset received, and plus related taxes payable, at initial recognition; When there is clear evidence indicating that the fair value of the received assets is more reliable, the fair value of each asset received and related taxes payable are recognised as cost of each asset received at initial recognition; If the transaction is measured at carrying amounts, the cost of each asset received is determined by apportioning the total carrying amounts of all assets given up based on the proportion of the fair value of each asset received to the total fair value of all assets received.

When several assets are given up at the same time in a non-monetary transaction, if the transaction is measured at fair value, at each asset's derecognition, the difference between each asset's fair value and carrying amount is recognised in profit or loss for the current period; When there is clear evidence indicating that the fair value of the received assets is more reliable, the profit or loss, recognised for the current period, of derecognition of each asset given up is the net amount, which is the apportioning of the total fair value of the assets received, based on the proportion of the fair value of each asset given up to the total fair value of all assets given up, deducted by the carry amount of each asset given up; if the transaction is measured by carrying amounts, no profit or loss of derecognition of assets given up, is recognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Profit distribution

The cash dividend of the Company is recognised as a liability upon approval in the annual shareholders' meeting.

30. Renewable corporate bonds and other financial instruments

The renewable corporate bonds and other financial instruments issued by the Group shall be classified as equity instruments if no contractual obligations of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavourable.

For renewable corporate bonds and other financial instruments classified as equity instruments, distribution of interests and dividends are recognised into distribution of equity. Its repurchase and cancellation are recognised as changes of equity and transaction costs related to equity transactions are deducted from equity.

31. Production safety expenses

The Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2022] No.136) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the Ministry of Emergency Management. Before 21 November 2022, the Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2012] No.16) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the State Administration of Work Safety.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and other comprehensive income and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that they can access at the measurement date;

Level 2: Inputs are inputs, other than quoted process included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

33. 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, while the Group holds some portion of subordinate assets-backed securities which are not transferrable until the principal and interests of the senior assets-backed securities have been repaid. 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. The Group shares relevant income based on its proportion of subordinate assets-backed securities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Asset securitisation (Continued)

When applying the accounting policy of securitisation of financial assets, the Groups 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.

The Group securitised a portion of the retention receivables by selling and transferring the retention receivables to a special-purpose entity. The above accounting policy for securitised financial assets is applied by reference to the condition that the performance obligations relating to the construction of the project have been completed and the contractor has undertaken to complete the performance obligations relating to the liability for defects.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Public – Private – Partnership (“PPP”) project contract

The PPP project contract represents the contract entered into between the private party and the government in respect of the Public-Private-Partnership project (hereinafter referred to as the “PPP project”) in accordance with the laws and regulations. The PPP project contract shall meet the following two characteristics (hereinafter referred to as the “Dual characteristics”): (1) the private party shall utilise the PPP project assets so as to provide public goods and services on behalf of the government during the operation period stipulated in the contract; (2) the private party shall be compensated for the public goods and services it provides during the period stipulated in the contract. The PPP project contract shall also meet the following two conditions (hereinafter referred to as the “Dual controls”): (1) the government shall have control over the type, object and price of the public goods and services that must be provided by the private party through the utilisation of the PPP project assets; (2) the government shall control the significant residual interest in the PPP project assets through ownership, right to income or other forms of rights upon termination of the PPP project contract.

The Group, as the private party, has entered into PPP project contracts with the government. According to such contracts, the Group shall provide construction services (including construction, renovation and expansion, similarly hereinafter), contract out the construction to other parties or perform other obligations. And the Group shall account for such contracts and recognise contract assets based on the determination that whether it is an agent or a principal in accordance with ASBE No. 14 – Revenue.

If the Group provides multiple services (for example, provide both construction services for PPP project assets and the operation and maintenance services upon the completion of the construction) in accordance with the contract, it shall identify the single performance obligation included in the contract and allocate the transaction price to each performance obligation in accordance with the proportion of the stand-alone selling price of each performance obligation in accordance with the provisions of ASBE No. 14 – Revenue.

During the operation period of the project, if the Group has the right to receive fees from the party which obtains the public goods and services in accordance with the PPP project contract, but the amount of the fees cannot be determined, the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project will be recognised as an intangible asset and presented as concessions under the line of intangible assets in the balance sheet when the PPP project assets are ready for intended use.

During the operation of the project, if the Group has the right to receive a determinable amount of cash (or other financial assets), the Group can recognise the amount as a receivable when it has the right to receive such cash (such right only depends on the passage of time) in accordance with the PPP project contract. The Group recognises the difference between the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project and the determinable amount of cash (or other financial assets) that the Group has the right to receive as an intangible asset when the PPP project assets are ready for intended use.

For the portion of the Group's consideration or construction revenue recognised for relevant PPP project assets that has been included in intangible assets and the contract assets recognised during the construction period, they are presented in the concessions under the line item of intangible assets; for other contract assets recognised during construction period, they are presented under the line item of contract assets or other non-current assets, depending on whether they are expected to be realised within one year since the balance sheet date.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at each balance sheet date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

At the balance sheet date, accounting estimates that probably lead to significant future adjustments on the carrying amount of assets and liabilities are as follows:

Revenue from construction operations

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method. The Group's management makes reasonable estimates on the expected total contract revenue and total contract costs based on the budgets prepared for construction operations to determine the performance progress and identify onerous contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Due to the nature of activities associated with construction, the Group has to continuously review and revise budget prepared for each construction operation throughout the contract period. Revision may have effect on revenue, profit and other items related to construction operations during the period when the revision incurred.

Impairment of trade receivables and contract assets

For trade receivables and contract assets scoped in ASBE No. 14, the Group measures loss allowances for trade receivables and contract assets based on lifetime ECL. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually, based on the evidence of credit-impairment and forward-looking information. Except for trade receivables and contract assets which are individually significant and credit-impaired, the Group's management classifies the trade receivables and contract assets into different portfolios based on credit risk characteristics and uses provision matrix to assess expected credit losses. The provision rates are based on the Group's historical actual loss rates, taking into consideration forward-looking information. The impairment of trade receivables and contract assets involves management's accounting estimations and judgements. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of trade receivables and contract assets during the period when the reassessment incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Impairment of other financial assets

For financial assets which are not scoped in ASBE No. 14, the Group assesses changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date and calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime. The calculation of ECL involves management's judgment on whether significant increase in credit risk and management's estimation on future contractual cash flows. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of financial assets during the period which the reassessment incurred.

Impairment of properties under development and completed properties held for sale

The Group has to evaluate the net realisable values for properties under development and completed properties held for sale at each balance sheet date. When the net realisable values are lower than the carrying amounts, a provision is made by the Group.

The principal assumptions for the Group's estimation of the net realisable values of the properties under development include those related to prevailing market prices for similar properties in the same location and condition, estimated costs to be incurred to completion of the properties and discount rates.

The Group estimates the net realisable value for completed properties held for sale based on the selling price, sales projections, sales expenses to be incurred and relevant tax expenses, with reference to the current market prices and actual sale progress.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Impairment of long-term equity investments

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss.

The recoverable amount of long-term equity investment is based on the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from long-term equity investment. The present value of the estimated future cash flow is based on the investee's present value of the future cash flow, that is, the amount of the estimated future cash flow generated by the investee in the process of continuous operation and discounted at the appropriate discount rate.

Impairment of concession rights

The Group assesses at the balance sheet date whether there is any indication that the concession rights may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss on assets.

The recoverable amount of the franchise rights is the higher of its fair value less costs of disposal and the present value of the estimated future cash flows. The present value of estimated future cash flows is determined based on the present value of estimated future cash flows during the period of the concession rights, i.e. based on the estimated future cash flows generated by the concession rights in the continuous use and discounted to the present value by selecting the appropriate discount rates. The estimated future cash flows are estimated based on the expected revenue of services rendered under concession arrangements and other income from the concession rights, net of necessary maintenance expenses and cost of sales.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the probable obligations have been made based on management's best estimates and judgments.

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and residual values of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of fixed assets are less than previous estimation. Useful lives and residual values are reviewed, at each balance sheet date, based on changes in circumstances.

Amortisation of concession rights of highways

If the assets under the concession arrangement acquired by the Group's participating in the construction of the highway is applicable to intangible asset model, the concession rights is amortised at the early stage of operation period based on expected realisation approach of associated economic benefits using traffic volume method or straight-line method. In the case of traffic volume method amortisation (namely, calculating the total annual amortisation amount based on the percentage of actual traffic volume in the current period in the estimated total traffic volumes), amortisation calculation is initiated since the operation of the relevant turnpike highways.

The Group's management made judgments on the proportion of actual traffic volume in the total estimated traffic volume. Where the difference between the actual amount and the estimation is substantial, the management will re-estimate the total estimated traffic volume based on the actual traffic volume and adjust the amortisation of annual provisions for standard traffic volumes in subsequent years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Income tax and deferred tax assets

The Company and its subsidiaries are subject to income taxes in numerous jurisdictions in domestic provinces and certain overseas countries. In order to reliably estimate and judge, the income tax provision is required to be determined based on existing tax laws, regulations and practices, if the relevant affairs of income tax have not yet been confirmed by relevant tax authorities. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current period income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. In cases where the actual future profits generated are different from the estimation, such difference will influence on or change the deferred tax assets and income tax recognised in the relevant period.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future expected cash flows from the asset groups or set of asset groups to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups or set of asset groups and also choose a suitable discount rate in order to calculate the present value of those cash flows.

36. Significant changes in accounting policies

The *Accounting Standards for Business Enterprises Interpretation No. 16* (the “*Interpretation No. 16*”) was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to multiple assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the scope of deferred income tax initial recognition exemption in the *Accounting Standards for Business Enterprises Interpretation No. 18 – Income Tax*, and specified that the temporary difference arising from the initial recognition (other than in a business combination) of assets and liabilities in a single transaction that affect neither taxable profit nor accounting profit (or deductible tax losses) and at the time of the transaction giving rise to equal taxable and deductible temporary differences were not applied for the deferred income tax initial recognition exemption in *Accounting Standards for Business Enterprises Interpretation No. 18 – Income Tax*.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Significant changes in accounting policies (Continued)

The Group has applied the interpretation retrospectively since 1 January 2023 to the individual transaction occurred between the beginning of the earliest comparative period presented and 1 January 2023, and financial statements of comparative periods have been restated.

The details of the impacts of the implementation of Interpretation No. 16 on consolidated statement of financial position and consolidated statement of profit or loss are as follows:

<i>RMB'000</i>			
Item	31 December 2021	Impact of Interpretation No. 16	31 December 2021 (restated)
Current assets:			
Total current assets	908,399,727	–	908,399,727
Non-current assets:			
Deferred tax assets	8,075,138	(61,640)	8,013,498
Total non-current assets	444,570,279	(61,640)	444,508,639
Total assets	1,352,970,006	(61,640)	1,352,908,366
Current liabilities:			
Total current liabilities	832,081,325	–	832,081,325
Non-current liabilities:			
Deferred tax liabilities	1,507,553	75,683	1,583,236
Total non-current liabilities	174,395,685	75,683	174,471,368
Total liabilities	1,006,477,010	75,683	1,006,552,693
Shareholders' equity:			
Retained earnings	141,556,080	(124,646)	141,431,434
Total equity attributable to owners of the Company	268,789,292	(124,646)	268,664,646
Non-controlling interests	77,703,704	(12,677)	77,691,027
Total shareholders' equity	346,492,996	(137,323)	346,355,673
Total liabilities and shareholders' equity	1,352,970,006	(61,640)	1,352,908,366

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Significant changes in accounting policies (Continued)

RMB'000

Item	31 December 2022	Impact of Interpretation No. 16	31 December 2022 (restated)
Current assets:			
Total current assets	1,010,052,178	–	1,010,052,178
Non-current assets:			
Deferred tax assets	9,140,494	(37,471)	9,103,023
Total non-current assets	513,898,874	(37,471)	513,861,403
Total assets	1,523,951,052	(37,471)	1,523,913,581
Current liabilities:			
Total current liabilities	934,637,547	–	934,637,547
Non-current liabilities:			
Deferred tax liabilities	1,566,493	58,340	1,624,833
Total non-current liabilities	203,297,642	58,340	203,355,982
Total liabilities	1,137,935,189	58,340	1,137,993,529
Shareholders' equity:			
Retained earnings	162,067,076	(85,944)	161,981,132
Total equity attributable to owners of the Company	290,483,983	(85,944)	290,398,039
Non-controlling interests	95,531,880	(9,867)	95,522,013
Total shareholders' equity	386,015,863	(95,811)	385,920,052
Total liabilities and shareholders' equity	1,523,951,052	(37,471)	1,523,913,581

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Significant changes in accounting policies (Continued)

RMB'000

Item	For the year ended 31 December 2022	Impact of Interpretation No. 16	For the year ended 31 December 2022 (restated)
Profit before tax	37,824,462	–	37,824,462
Less: Income tax expenses	6,071,684	(41,512)	6,030,172
Net profit	31,752,778	41,512	31,794,290
Classified by the continuity of operation:			
Net profit from continuing operations	31,752,778	41,512	31,794,290
Net profit from discontinued operations	–	–	–
Classified by the ownership:			
Net profit attributable to owners of the Company	26,642,094	38,702	26,680,796
Net profit attributable to non- controlling interests	5,110,684	2,810	5,113,494
Total comprehensive income	32,186,243	41,512	32,227,755
Including:			
Total comprehensive income attributable to owners of the Company	27,054,235	38,702	27,092,937
Total comprehensive income attributable to non-controlling interests	5,132,008	2,810	5,134,818

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION

1. Major categories of taxes and respective tax rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	Sales revenue and construction installation income in accordance with relevant tax law	3%, 6%, 9%, 13%
Enterprise income tax ("EIT")	Taxable income	All enterprises are subject to EIT at 25% except for some domestic subsidiaries qualified for tax preferential (Note IV. 2) and overseas subsidiaries that are subject to EIT in accordance with the local tax laws applicable to the jurisdiction where the company was registered.
City maintenance and construction tax ("CCT")	Based on the actual VAT and circulation tax payment	1%, 5%, 7%
Educational surcharge	Based on the actual VAT and circulation tax payment	3%
Local educational surcharge	Based on the actual VAT and circulation tax payment	2%
Land appreciation tax ("LAT")	Calculate LAT based on the appreciation amount arising from the transfer of properties and the extra progressive tax rate	Extra progressive tax rate: 30%, 40%, 50%, 60%

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential

Super deduction of research and development (R&D) expenses

Pursuant to Chapter IV, Item 1 of Article 30 of the Law of the PRC on Enterprise Income Tax Law (the “New EIT Law”), the Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119) and the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policies Regarding Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2023] No. 7), with respect to research and development (R&D) expenses of the Company and its subsidiaries that complies with the above provisions, an extra 100% of the actual amount of expenses is deductible before tax.

Tax preferential for the Western Region Development

Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for Western Development Strategies (Cai Shui [2020] No. 23), the tax preference for the Western Region Development are valid until 2030. According to the Circular, “from 1 January 2021 to 31 December 2030, enterprise income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises whose principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region, the income of which accounts for more than 60% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region has been issued by National Development and Reform Commission. If the catalogue is modified during the period of the announcement, the modified version shall apply since the date of implementation.”

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Tax preferential for the Western Region Development (Continued)

At present, the Catalogue of Encouraged Industries in the Western Region has been approved by the State Council and has been implemented since 1 October 2014. Certain subsidiaries of the Company, including China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司), China Railway 11th Bureau Group Tibet Engineering Co., Ltd. (中鐵十一局集團西藏工程有限公司), China Railway 11th Bureau Group Xi'an Construction Co., Ltd. (中鐵十一局集團西安建設有限公司), China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司), China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司), China Railway 12th Bureau Group (Tibet) Engineering Co., Ltd. (中鐵十二局集團(西藏)工程有限公司), China Railway 12th Bureau Group Hanzhong Xudong Engineering Co., Ltd. (中鐵十二局集團漢中旭東工程有限公司), China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司), China Railway Construction Chongqing Construction Technology Co., Ltd. (中鐵建重慶建築科技有限公司), China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司), China Railway 15th Bureau Group Tibet Engineering Co., Ltd. (中鐵十五局集團西藏工程有限公司), China Railway 16th Bureau Group Tibet Engineering Co., Ltd. (中鐵十六局集團西藏工程有限公司), China Railway 17th Bureau Group 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司), China Railway 17th Bureau Group 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司), China Railway 17th Bureau Group Tibet Engineering Co., Ltd. (中鐵十七局集團西藏工程有限公司), China Railway 18th Bureau Group Tibet Engineering Co., Ltd. (中鐵十八局集團西藏工程有限公司), China Railway 18th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十八局集團隧道工程有限公司), China Railway 19th Bureau Group Tibet Engineering Co., Ltd. (中鐵十九局集團西藏工程有限公司), China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司), China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司), China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司), China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司), China Railway 20th Bureau Group Electrification Engineering Co., Ltd. (中鐵二十局集團電氣化工程有限公司), China Railway 20th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十局集團市政工程有限公司), China Railway Guizhou Engineering Co., Ltd. (中鐵貴州工程有限公司), Chongqing Qinyu Property Management Co., Ltd. (重慶秦渝物業管理有限公司), China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司), China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司), China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司), China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司), China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司), China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司), China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司), China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司), China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司), China Railway 23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司), China Railway 23rd Bureau Group Tibet Engineering Co., Ltd. (中鐵二十三局集團西藏工程有限公司), China Railway 23rd Bureau Group Rail Transit Sichuan Engineering Co., Ltd. (中鐵二十三局集團軌道交通四川工程有限公司), China Railway 25th Bureau Group (Ganzhou) Engineering Co., Ltd. (中鐵二十五局集團(贛州)工程有限公司), China Railway Construction Electrification Bureau Group Xi'an Electrical Product Co., Ltd. (中

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Tax preferential for the Western Region Development (Continued)

鐵建電氣化局集團西安電氣化製品有限公司), China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司), China Railway First Survey and Design Institute (Shaanxi) Engineering Construction Co., Ltd. (中鐵一院(陝西)工程建設有限公司), Xi'an Runtong Digital Technology Co., Ltd. (西安潤通數字科技有限公司), Lanzhou Railway Survey and Design Institute Co., Ltd. (蘭州鐵道設計院有限公司), China Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd Nanning Branch.(鐵四院(湖北)工程監理諮詢有限公司南寧分公司), China Railway Material Group Southwest Co., Ltd. (中鐵物資集團西南有限公司), China Railway Material Group Yunnan Co., Ltd. (中鐵物資集團雲南有限公司), CRCC High-Tech Equipment Co., Ltd. (中國鐵建高新裝備股份有限公司), China Railway Construction Heavy Industry Xinjiang Co., Ltd. (鐵建重工新疆有限公司), China Railway Longchang Materials Co., Ltd. (中鐵隆昌鐵路器材有限公司), China Railway Highway China Petroleum (Sichuan) Energy Co., Ltd. (鐵建高速中油(四川)能源有限公司), China Railway Construction Guizhou Anshun-Ziyun Highway Co., Ltd. (中鐵建貴州安紫高速公路有限公司), China Railway Chongqing Urban Rail Transit Engineering Co., Ltd. (中鐵建重慶軌道環線建設有限公司), CRCC Kunlun Investment Group Co., Ltd. (中國鐵建昆侖投資集團有限公司), China Railway Construction Kunlun Metro Investment Construction Management Co., Ltd. (中鐵建昆侖地鐵投資建設管理有限公司), China Railway Construction Yunnan Investment Co., Ltd. (中鐵建雲南投資有限公司), Chengdu CRCC Kunlun Rail Engineering Co., Ltd. (成都中鐵建昆侖軌道工程有限公司), Chengdu CRCC Chengzi Rail Transit Development Co., Ltd. (成都中鐵建成資軌道交通發展有限公司), Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司), Chongqing China Petroleum & Railway Construction Industrial Co., Ltd. (重慶中油鐵建實業有限公司), CRCC Chongqing Investment Group Co., Ltd. (中鐵建重慶投資集團有限公司), CRCC Chongqing Petrochemical Sales Co., Ltd. (中鐵建重慶石化銷售有限公司), Chongqing Jinlu Traffic Engineering Co., Ltd. (重慶金路交通工程有限責任公司), CRCC Ecological Environment Co., Ltd (中鐵建生態環境有限公司), China Railway Construction Northwest Investment & Construction Co., Ltd. (中鐵建西北投資建設有限公司) and China Railway Construction (Yinchuan) City Development Co., Ltd. (中鐵建(銀川)城市發展有限公司) met requirements and are applicable to preferential income tax rate of 15% for the Western Region Development in 2022 and 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Preferential Tax Policy for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui [2022] No. 19), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

- (1) The principal business of the enterprise meets the requirements of Preferential Enterprise Income Tax Catalogue for the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (2021), and its income accounts for more than 60% of the total income;
- (2) the actual management organisation of the enterprise is located in Guangdong-Macao In-Depth Cooperation Zone in Hengqin, and it conducts substantive and comprehensive management and control over the production and operation, personnel, accounting, property, etc. of the enterprise.

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司) and China Railway Construction Highway Operation Co., Ltd. (中鐵建公路運營有限公司), subsidiaries of the Company, are eligible for the preferential income tax policy of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and are subject to a preferential corporate income tax rate of 15% starting from 1 January 2022.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries

China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司): (1) China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司) and its subsidiary China Railway 11 Bureau Group 6th Engineering Co., Ltd. of (中鐵十一局集團第六工程有限公司) have been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway 11th Bureau Group 1st Engineering Co., Ltd. (中鐵十一局集團第一工程有限公司), China Railway 11th Bureau Group 2nd Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司), China Railway 11th Bureau Group 3rd Engineering Co., Ltd. (中鐵十一局集團第三工程有限公司), China Railway 11th Bureau Group 4th Engineering Co., Ltd. (中鐵十一局集團第四工程有限公司) and China Railway 11th Bureau Group City Rail Engineering Co., Ltd. (中鐵十一局集團城市軌道工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 11th Bureau Group Bridge Engineering Co., Ltd. (中鐵十一局集團橋樑有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiaries including China Railway 11th Bureau Electrical Engineering Co., Ltd. (中鐵十一局電務工程有限公司), China Railway 11th Bureau Hanjiang Heavy Industry Co., Ltd. (中鐵十一局集團漢江重工有限公司) and China Railway 11th Bureau Construction and Installation Engineering Co., Ltd. (中鐵十一局集團建築安裝工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 12th Bureau Group Co., Ltd. (中鐵十二局集團有限公司): (1) its subsidiaries China Railway 12th Bureau Group 2nd Engineering Co., Ltd. (中鐵十二局集團第二工程有限公司) and China Railway 12th Bureau Group 3rd Engineering Co., Ltd. (中鐵十二局集團第三工程有限公司) have been recognised as High-tech Enterprises by the Shanxi Science and Technology Department, Department of Finance of Shanxi, and Shanxi Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 12th Bureau Group 7th Engineering Co., Ltd. (中鐵十二局集團第七工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 1 January 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary Electrification Engineering Co., Ltd. of China Railway 12th Bureau Group (中鐵十二局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway 12th Bureau Construction and Installation Engineering Co., Ltd. (中鐵十二局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司): (1) China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) and its subsidiary China Railway Construction Bridge Engineering Bureau Group Construction Assembly Technology Co., Ltd. (中鐵建大橋工程局集團建築裝配科技有限公司) have been recognised as High-tech Enterprises by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Jinqiao Engineering Testing Co., Ltd. (中鐵津橋工程檢測有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Bureau, Jilin Province Bureau of Finance, and Jilin Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Modern Survey and Design Institute Co., Ltd. (中鐵現代勘察設計院有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Department, Department of Finance of Jilin Province, and Jilin Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway Bridge Engineering Group Electrification Engineering Co., Ltd. (中鐵建大橋工程局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 14th Bureau Group Co., Ltd. (中鐵十四局集團有限公司): (1) its subsidiaries including China Railway 14th Bureau Group 1st Engineering Development Co., Ltd. (中鐵十四局集團第一工程發展有限公司), China Railway 14th Bureau Group Electrification Engineering Co., Ltd. (中鐵十四局集團電氣化工程有限公司) and Tiezheng Testing Technology Co., Ltd. (鐵正檢測科技有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 14th Bureau Group 3rd Engineering Co., Ltd. (中鐵十四局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiaries including China Railway 14th Bureau Group 4th Engineering Co., Ltd. (中鐵十四局集團第四工程有限公司), Shandong Civil Air Defense Architectural Design Institute Co., Ltd. (山東省人民防空建築設計院有限責任公司), China Railway 14th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十四局集團隧道工程有限公司), China Railway 14th Bureau Group Construction Technology Co. Ltd (中鐵十四局集團建築科技有限公司), China Railway 14th Bureau Construction Engineering Co. Ltd. (中鐵十四局集團建築工程有限公司) and China Railway 14th Bureau Yellow River Construction Technology Co. Ltd. (中鐵十四局集團黃河建築科技有限公司) have been recognised as High-tech Enterprises by Shandong Provincial Science and Technology Department, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 14th Bureau Group Large Shield Engineering Co., Ltd. (中鐵十四局集團大盾構工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary CRCC North-China Construction Technology Co. Ltd. (中鐵建華北建築科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Construction Co., Ltd. (中鐵十四局集團青島工程建設有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary China Railway 14th Bureau Group Housing and Bridge Co., Ltd. (中鐵十四局集團房橋有限公司) has been recognised as a High-tech Enterprise by the Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (8) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Co., Ltd. (中鐵十四局集團青島工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 15th Bureau Group Co., Ltd. (中鐵十五局集團有限公司): (1) its subsidiary China Railway 15th Bureau Group 3rd Engineering Co., Ltd. (中鐵十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 15th Bureau Group 4th Engineering Co., Ltd. (中鐵十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by the Henan Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 15th Bureau Group 5th Engineering Co., Ltd. (中鐵十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway 15th Bureau Group Shanghai New Energy Development Co., Ltd. (中鐵十五局集團上海新能源發展有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司): (1) China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司) and its subsidiaries China Railway 16th Bureau Group 1st Engineering Co., Ltd. (中鐵十六局集團第一工程有限公司) and China Railway 16th Bureau Group Subway Engineering Co., Ltd. (中鐵十六局集團地鐵工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 16th Bureau Group 2nd Engineering Co., Ltd. (中鐵十六局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 16th Bureau Group 3rd Engineering Co., Ltd. (中鐵十六局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiaries including China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司), China Railway 16th Bureau Group Beijing Metro Engineering Co., Ltd. (中鐵十六局集團北京軌道交通工程建設有限公司) and China Railway 16th Bureau Group Electrification Engineering Co., Ltd. (中鐵十六局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 16th Bureau Group 5th Engineering Co., Ltd. (中鐵十六局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway 16th Bureau Group Railway Transportation Engineering Co., Ltd. (中鐵十六局集團鐵運工程有限公司) has been recognised as a High-tech Enterprise by Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiaries including China Railway 16th Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵十六局集團路橋工程有限公司) and China Railway 16th Bureau Group City Construction Development Co., Ltd. (中鐵十六局集團城市建設發展有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司): (1) its subsidiary China Railway 17th Bureau 1st Engineering Co., Ltd. (中鐵十七局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 17th Bureau 3rd Engineering Co., Ltd. (中鐵十七局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 17th Bureau 5th Engineering Co., Ltd. (中鐵十七局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiaries including China Railway 17th Bureau Group Construction Engineering Co., Ltd. (中鐵十七局集團建築工程有限公司) and China Railway 17th Bureau Group Electrification Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 17th Bureau Municipal Construction Co., Ltd. (中鐵十七局集團市政建設有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiary China Railway 17th Bureau Group City Construction Development Co., Ltd. (中鐵十七局集團城市建設有限公司) has been recognised as a High-tech Enterprise by Guizhou Provincial Science and Technology Commission, Guizhou Provincial Finance Bureau, and Guizhou Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (7) its subsidiary China Railway 17th Bureau Group 6th Engineering Co., Ltd. (中鐵十七局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (8) its subsidiary China Railway 17th Bureau Group (Guangzhou) Construction Co., Ltd. (中鐵十七局集團(廣州)建設有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司): (1) its subsidiary China Railway 18th Bureau Group 2nd Engineering Co., Ltd. (中鐵十八局集團第二工程有限公司) has been recognised as High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 18th Bureau Group 3rd Engineering Co., Ltd. (中鐵十八局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 18th Bureau Group 4th Engineering Co., Ltd. (中鐵十八局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway 18th Bureau Group 5th Engineering Co., Ltd. (中鐵十八局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (5) its subsidiary China Railway 18th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十八局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司): (1) China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司) and its subsidiaries including China Railway 19th Bureau Group Rail Transit Engineering Co., Ltd. (中鐵十九局集團軌道交通工程有限公司) and China Railway 19th Bureau Group Mining Investment Co., Ltd. (中鐵十九局集團礦業投資有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 19th Bureau Group 1st Engineering Co., Ltd. (中鐵十九局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 19th Bureau Group 3rd Engineering Co., Ltd. (中鐵十九局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway 19th Bureau Group 5th Engineering Co., Ltd. (中鐵十九局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 19th Bureau Group 6th Engineering Co., Ltd. (中鐵十九局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway 19th Bureau Group East China Engineering Co. Ltd. (中鐵十九局集團華東工程有限公司) has been recognised as a High-tech Enterprise by Ningbo Science and Technology Bureau, Ningbo Municipal Finance Bureau, and Ningbo Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (7) its subsidiary China Railway 19th Bureau Group Corporation Electric Engineering Co., Ltd. (中鐵十九局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) its subsidiary China Railway 19th Bureau Group Guangzhou Engineering Co., Ltd. (中鐵十九局集團廣州工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司): (1) its subsidiary China Railway Construction Urban Construction Transportation Development Co., Ltd. (中鐵建城建交通發展有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Building and Installing Engineering Design Institute Co., Ltd. (中鐵建安工程設計院有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiary China Railway Construction Technology Testing Co. Ltd (中鐵建科檢測有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司): (1) its subsidiary China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 21st Bureau Group Electric and Chemical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (3) its subsidiary Western Railway Construction Engineering Materials Technology Co., Ltd. (西部鐵建工程材料科技有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司): (1) China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司) and its subsidiaries China Railway 22nd Bureau Group Metro Co., Ltd. (中鐵二十二局集團軌道工程有限公司) and China Railway Jingcheng Engineering Testing Co., Ltd. (中鐵京誠工程檢測有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 22nd Bureau Group 1st Engineering Co., Ltd. (中鐵二十二局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiaries China Railway 22nd Bureau Group 2nd Engineering Co., Ltd. (中鐵二十二局集團第二工程有限公司) and China Railway 22nd Bureau Group Electrification Engineering Co., Ltd. (中鐵二十二局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 22nd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十二局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway 22nd Bureau Group 4th Engineering Co., Ltd. (中鐵二十二局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) Heilongjiang Tiecheng Engineering Testing Co., Ltd. (黑龍江鐵誠工程檢測有限責任公司) has been recognised as a Hightech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (7) China Railway 22nd Bureau Group Municipal Engineering Co., Ltd. (中鐵二十二局集團市政工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司): (1) its subsidiary China Railway 23rd Bureau Group 1st Engineering Co., Ltd. (中鐵二十三局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 23rd Bureau Group Construction Design Institute Co., Ltd. (中鐵二十三局集團建築設計研究院有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 23rd Bureau Group Electric Engineering Co., Ltd. (中鐵二十三局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science & Technology Commission, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 23rd Bureau Group (Hubei) Blasting Co., Ltd. (中鐵二十三局集團(湖北)爆破有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary Qiqihar Futie Sleeper Co., Ltd. (齊齊哈爾富鐵軌枕有限公司) has been recognised as a Hightech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (7) its subsidiary China Railway 23rd Bureau Group Rail Transit Engineering Co., Ltd. (中鐵二十三局集團軌道交通工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司): (1) its subsidiary China Railway 24th Bureau Group Shanghai Railway Construction Co., Ltd.(中鐵二十四局集團上海鐵建工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 24th Bureau Group Shanghai electrification Co., Ltd.(中鐵二十四局集團上海電務電化有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (3) its subsidiary China Railway 24th Bureau Group Jiangsu Construction Co., Ltd. (中鐵二十四局集團江蘇工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Jiangsu Province Finance Bureau, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 25th Bureau Group Co., Ltd. (中鐵二十五局集團有限公司): (1) its subsidiary China Railway 25th Bureau Group 1st Engineering Co., Ltd. (中鐵二十五局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 25th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十五局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 25th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 25th Bureau Group 4th Engineering Co., Ltd. (中鐵二十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 25th Bureau Group 5th Engineering Co., Ltd. (中鐵二十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiaries including Guangzhou Tiecheng Engineering Inspection Co., Ltd. (廣州鐵誠工程質量檢測有限公司), China Railway 25th Bureau Group Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司) and China Railway Construction Dawan District Construction Co., Ltd. (中鐵建大灣區建設有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (7) its subsidiary Liuzhou Railway Engineering Quality Testing Center Co., Ltd. (柳州鐵路工程質量檢測中心有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司): (1) China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway Construction Group Infrastructure Construction Co., Ltd. (中鐵建設集團基礎設施建設有限公司) and China Railway Construction Group Electromechanical Installation Co., Ltd. (中鐵建設集團機電安裝有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Group South Engineering Co., Ltd. (中鐵建設集團南方工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary including Beijing CRCC Decoration Engineering Co., Ltd. (北京中鐵裝飾工程有限公司), Beijing CRCC Installation Engineering Co., Ltd. (北京中鐵安裝工程有限公司), Beijing China Railway Construction Technology Co., Ltd. (北京中鐵建築科技有限公司) and China Railway Construction Group Beijing Engineering Co. Ltd. (中鐵建設集團北京工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway Construction Group East China Engineering Co., Ltd. (中鐵建設集團華東工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Group Construction Development Co., Ltd. (中鐵建設集團建築發展有限公司) has been recognised as a High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary China Railway Construction Group North China Engineering Co. Ltd. (中鐵建設集團華北工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Science and Technology Bureau, Tianjin Municipal Bureau of Finance, and Tianjin Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (8) its subsidiary China Railway Construction Group Central-south China Construction Co., Ltd. (中鐵建設集團中南建設有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (9) its subsidiary China Railway Construction Group Xi'an Engineering Co., Ltd. (中鐵建設集團西安工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shaanxi Province, Department of Finance of Shaanxi Province, and Shaanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司): (1) China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司) and its subsidiary Beijing CRCC Electrification Design Institute Co., Ltd. (北京中鐵建電氣化設計研究院有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) China Railway Construction Electrification Bureau Group 1st Engineering Co., Ltd. (中鐵建電氣化局集團第一工程有限公司) has been recognised as a High-tech Enterprise by the Henan Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Electrification Bureau Group 2nd Engineering Co., Ltd. (中國鐵建電氣化局集團第二工程有限公司) has been recognised as a High-tech Enterprise by the Shanxi Science and Technology Department, Department of Finance of Shanxi Province, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway Construction Electrification Bureau Group 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction Electrification Bureau Group 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Electrification Bureau Group Science and Technology Co., Ltd. (中鐵建電氣化局集團科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiaries China Railway Construction Electrification Bureau Group Metro Engineering Machinery Co., Ltd. (中鐵建電氣化局集團軌道交通器材有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (8) its subsidiary China Railway Construction Electrification Bureau Group Operation Management Co., Ltd. (中鐵建電氣化局集團運營管理有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (9) its subsidiary China Railway Construction Electrification Bureau Group South Engineering Co., Ltd. (中鐵建電氣化局集團南方工程有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (10) its subsidiary China Railway Construction Electrification Bureau Group 4th Engineering Co., Ltd. (中鐵建電氣化局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (11) its subsidiary China Railway Construction Electrification Bureau Group Kang Yuan New Material Co., Ltd. (中鐵建電氣化局集團康遠新材料有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司): (1) CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (2) its subsidiary CRCC Harbour and Channel Engineering Bureau Group Survey & Design Institute Co., Ltd. (中鐵建港航局集團勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司): (1) China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway Urban Construction Group 1st Engineering Co., Ltd. (中鐵城建集團第一工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway Urban Construction Group 2nd Engineering Co., Ltd. (中鐵城建集團第二工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway Urban Construction Group 3rd Engineering Co., Ltd. (中鐵城建集團第三工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary Beijing Engineering Company Limited of China Railway Urban Construction Group (中鐵城建集團北京工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway Urban Construction Group Nanchang Construction Co., Ltd. (中鐵城建集團南昌建設有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (7) its subsidiaries China Railway Urban Construction Group Urban Operation Services Co., Ltd. (中鐵城建集團城市運營服務有限公司) and China Railway Urban Construction Group Construction Technology Co., Ltd. (中鐵城建集團建築科技有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司): (1) China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司) and its subsidiary Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd. (鐵四院(湖北)工程監理諮詢有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023 and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Wuhan Railway SIYUAN Engineering Consulting Co., Ltd. (武漢鐵四院工程諮詢有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway SIYUAN Survey and Design Group Engineering Construction Co., Ltd. (中鐵四院集團工程建設有限責任公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2021 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway SIYUAN Survey and Design Group Nanning Survey and Design Institute Co., Ltd. (中鐵四院集團南寧勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway SIYUAN Survey and Design Group Southwest Survey and Design Institute Co., Ltd. (中鐵四院集團西南勘察設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Yunnan Province, Department of Finance of Yunnan Province, and Yunnan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (6) its subsidiary China Railway SIYUAN Survey and Design Group New Type Rail Transit Design & Research Co., Ltd. (中鐵四院集團新型軌道交通設計研究有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary Haixia (Fujian) Transportation Engineering Design Co., Ltd. (海峽(福建)交通工程設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Fujian Province, Department of Finance of Fujian Province, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) its subsidiary China Railway Siyuan Group Guangzhou Designing Institute Co., Ltd. (廣東省鐵路規劃設計研究院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司): (1) China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司) and its subsidiaries including Beijing Tieyan Construction Supervision Co., Ltd. (北京鐵研建設監理有限責任公司), Beijing China Railway Ecological Environment Design Institute Co., Ltd. (北京中鐵生態環境設計院有限公司), Beijing Railway Fifth Group Engineering Machinery Co., Ltd. (北京鐵五院工程機械有限公司), Beijing Tiecheng GIGNA Engineering Testing Co., Ltd. (北京鐵城檢測認證有限公司) and Beijing China Railway Construction North Road & Bridge Engineering Co., Ltd. (北京中鐵建北方路橋工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Beijing Tiecheng Engineering Consulting Co., Ltd. (北京鐵城工程諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (3) its subsidiary Quzhou Communication Design Co., Ltd. (衢州市交通設計有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司): China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司): China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司) and its subsidiary Zhuzhou China Railway Electric Materials Co., Ltd. (株洲中鐵電氣物資有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Civil Engineering Construction Corporation (中國土木工程集團有限公司): its subsidiary China Railway CCECC Fuzhou Survey & Design Institute Co., Ltd. (中土集團福州勘察設計研究院有限公司) has been recognised as a High-tech Enterprise by Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司): its subsidiary Suzhou Traffic Design Research Institute Co., Ltd. (中鐵建蘇州設計研究院有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司): its subsidiary Beijing Ruiweitong Engineering Machinery Co., Ltd. (北京瑞維通工程機械有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司): (1) CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司) and its subsidiary CRCC Cyber Information Technology Co., Ltd. (中鐵建網絡信息科技有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary Chenghe RuiZheng Risk Management Consulting Co., Ltd. (誠合瑞正風險管理諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Group South China Construction Co., Ltd. (中鐵建華南建設有限公司): its subsidiary China Railway Construction South China Construction (Guangzhou) High Tech Industry Co., Ltd. (中鐵建華南建設(廣州)高科技產業有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Guangdong Province Finance Bureau, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	31 December 2023	31 December 2022
Cash on hand	66,019	58,623
Cash at banks	153,806,061	144,832,184
Other cash and bank balances	8,626,759	8,750,612
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	4,458,998	4,783,391
Total	166,957,837	158,424,810

The restricted cash and bank balances of the Group are stated in Note V. 67.

As at 31 December 2023, the Group held foreign cash and bank balances amounting to RMB11,280,052,000 (31 December 2022: RMB11,507,229,000), certain cash and bank balances deposited in certain countries or regions that were subject to foreign exchange control were not freely convertible into other currencies or remitted out of those countries. As at 31 December 2023, the Group's cash and bank balances held in these countries or regions represented less than 3% (31 December 2022: less than 3%) of the cash and bank balances in the Group's consolidated statement of financial position.

RMB'000

Item	31 December 2023	31 December 2022
Cash and bank balances at the end of the year	166,957,837	158,424,810
Less: Mandatory reserves placed by CRCC Finance Company Limited with the central bank	4,458,998	4,783,391
Less: Other restricted cash and bank balances	8,601,659	8,697,253
Less: Non-pledged time deposits with original maturity of three months or more when acquired	1,259,403	428,674
Cash and cash equivalents at the end of the year	152,637,777	144,515,492

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

RMB'000

Item	31 December 2023	31 December 2022
Equity instruments	467,563	561,719
Others	1,162,222	399,579
Total	1,629,785	961,298

3. Bills receivable

RMB'000

Item	31 December 2023	31 December 2022
Commercial acceptance bills	2,996,061	7,594,637
Bank acceptance bills	249,332	955,668
Less: Impairment of credit losses	16,352	55,274
Total	3,229,041	8,495,031

As at 31 December 2023, the Group had RMB139,522,000 (31 December 2022: RMB1,121,709,000) non-matured bills receivable which had right of recourse and had been endorsed to other parties. The Group did not derecognise those bills receivable as the Group considered that all risks and rewards of the ownership had not been transferred from the endorsed bills receivable.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable (Continued)

Bills receivable and impairment of credit losses are listed by category are listed as follows:

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed by credit risk portfolio	3,245,393	100.00	16,352	0.50	3,229,041
Total	3,245,393	100.00	16,352	0.50	3,229,041

RMB'000

Category	31 December 2022		31 December 2022		Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed individually	180,368	2.11	12,672	7.03	167,696
Impairment of credit losses assessed by credit risk portfolio	8,369,937	97.89	42,602	0.51	8,327,335
Total	8,550,305	100.00	55,274	0.65	8,495,031

The restricted bills receivable of the Group are stated in Note V. 67.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables at FVTOCI

RMB'000

Item	31 December 2023	31 December 2022
Bank acceptance bills	2,723,520	3,321,965
Total	2,723,520	3,321,965

As at 31 December 2023, the Group had RMB2,272,750,000 (31 December 2022: RMB4,738,314,000) non-matured bills receivable which had right of recourse and had been discounted or endorsed to other parties. The Group derecognised those bills receivable as the Group considered that all risks and rewards of the ownership had been transferred from the discounted or endorsed bills receivable since there was extremely low risk of the acceptor's inability to cash the bills upon expiry due to the acceptor's good reputation.

5. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Item	31 December 2023	31 December 2022
Within 1 year	116,204,747	106,339,111
1 to 2 years	32,760,675	29,563,912
2 to 3 years	12,597,237	10,679,319
Over 3 years	12,285,145	9,863,060
Subtotal	173,847,804	156,445,402
Less: Impairment of credit losses	18,038,737	15,215,783
Total	155,809,067	141,229,619

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Movements in impairment of credit losses for trade receivables are listed as follows:

RMB'000

Item	2023	2022
Opening balance of the current year	15,215,783	12,469,078
Provision for the year	4,567,847	4,244,393
Less: Reversal for the year	1,337,239	1,832,751
Less: Write-off for the year	7,926	87,379
Transfer from bills receivable	2,014	933,513
Others	(401,742)	(511,071)
Closing balance of current year	18,038,737	15,215,783

The movements in detail of impairment of credit losses for the year ended 31 December 2023 are presented in Note VIII. 3.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Trade receivables and impairment of credit losses by category are listed as follows:

RMB'000

Category	Gross carrying amount		31 December 2023 Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Impairment of credit losses assessed individually	30,576,721	17.59	11,834,741	38.71	18,741,980
Impairment of credit losses assessed by credit risk portfolio	143,271,083	82.41	6,203,996	4.33	137,067,087
Total	173,847,804	100.00	18,038,737	10.38	155,809,067

RMB'000

Category	Gross carrying amount		31 December 2022 Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Impairment of credit losses assessed individually	30,618,497	19.57	9,983,717	32.61	20,634,780
Impairment of credit losses assessed by credit risk portfolio	125,826,905	80.43	5,232,066	4.16	120,594,839
Total	156,445,402	100.00	15,215,783	9.73	141,229,619

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed individually are listed as follows:

RMB'000

Company name	31 December 2023			Reasons
	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	
Company 1	746,446	252,993	33.89	Note
Company 2	586,442	139,189	23.73	Note
Company 3	575,639	386,645	67.17	Note
Company 4	574,693	57,469	10.00	Note
Company 5	548,834	88,911	16.20	Note
Others	27,544,667	10,909,534	39.61	–
Total	30,576,721	11,834,741	38.71	–

Note: According to the recoverability of trade receivables, the Group recorded impairment of credit losses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows:

Portfolio 1:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	74,771,913	79.55	973,038	1.30
1 to 2 years	12,554,589	13.35	727,867	5.80
2 to 3 years	4,216,272	4.48	580,810	13.78
Over 3 years	2,465,778	2.62	1,265,460	51.32
Total	94,008,552	100.00	3,547,175	3.77

Portfolio 2:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	9,454,843	85.03	91,988	0.97
1 to 2 years	1,065,619	9.58	57,426	5.39
2 to 3 years	279,482	2.51	31,126	11.14
Over 3 years	319,724	2.88	180,971	56.60
Total	11,119,668	100.00	361,511	3.25

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows: (Continued)

Portfolio 3:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	4,561,379	68.63	40,909	0.90
1 to 2 years	1,095,583	16.48	58,577	5.35
2 to 3 years	446,449	6.72	55,193	12.36
Over 3 years	542,866	8.17	276,403	50.92
Total	6,646,277	100.00	431,082	6.49

Portfolio 4:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	7,286,067	86.18	39,757	0.55
1 to 2 years	1,090,063	12.89	29,815	2.74
2 to 3 years	59,153	0.70	1,275	2.16
Over 3 years	19,183	0.23	4,644	24.21
Total	8,454,466	100.00	75,491	0.89

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows: (Continued)

Portfolio 5:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	17,350,323	75.30	296,886	1.71
1 to 2 years	3,312,460	14.38	255,795	7.72
2 to 3 years	950,672	4.13	150,018	15.78
Over 3 years	1,428,665	6.19	1,086,038	76.02
Total	23,042,120	100.00	1,788,737	7.76

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Top five entities with the largest balances of trade receivables and contract assets at the end of the year:

RMB'000

Company name	Relationship with the Group	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of impairment of credit losses
Company 1	Third party	1,064,482	119,353	1,183,835	0.20	51,904
Company 2	Third party	994,811	813,941	1,808,752	0.30	30,325
Company 3	Third party	874,685	522,689	1,397,374	0.23	25,227
Company 4	Third party	864,577	55,321	919,898	0.15	5,749
Company 5	Third party	861,045	695,547	1,556,592	0.26	13,984
Total	-	4,659,600	2,206,851	6,866,451	1.14	127,189

For the year ended 31 December 2023, the write-off of trade receivables amounted to RMB7,926,000 (For the year ended 31 December 2022: RMB87,379,000).

The restricted trade receivables of the Group are stated in Note V. 67.

As at 31 December 2023, the Group derecognised trade receivables of RMB93,749,094,000 (as at 31 December 2022: RMB98,493,489,000) due to transfer of financial assets and recognised losses from derecognition of financial assets, amounting to RMB4,724,702,000 (as at 31 December 2022: RMB5,093,213,000).

Assets and liabilities recognised due to continuing involvement in the transferred asset:

As at 31 December 2023, the Group recognised assets of RMB948,545,000 and liabilities of RMB948,545,000 (As at 31 December 2022: RMB789,179,000 and RMB789,179,000) related to continuing involvement in transferred trade receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

An aging analysis of advances to suppliers is listed as follows:

RMB'000

Aging	31 December 2023		31 December 2022	
	Gross carrying amount	Percentage (%)	Gross carrying amount	Percentage (%)
Within 1 year	21,092,189	97.14	27,084,280	98.58
1 to 2 years	461,006	2.12	311,608	1.13
2 to 3 years	136,313	0.63	68,188	0.25
Over 3 years	23,121	0.11	9,761	0.04
Total	21,712,629	100.00	27,473,837	100.00

As at 31 December 2023, there were no advances to suppliers with significant balances aged over one year.

As at 31 December 2023, advances to the five largest suppliers are listed as follows:

RMB'000

Company name	Relationship with the Group	Amount	Time for prepayment	Percentage of total advances to suppliers (%)
Company 1	Third party	196,500	Within 1 year	0.91
Company 2	Third party	186,574	Within 1 year	0.86
Company 3	Third party	169,999	Within 1 year	0.78
Company 4	Third party	136,479	Within 1 year	0.63
Company 5	Third party	122,471	Within 1 year	0.56
Total	—	812,023	—	3.74

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	31 December 2023	31 December 2022
Within 1 year	37,507,915	44,440,889
1 to 2 years	9,465,575	11,367,776
2 to 3 years	6,561,547	6,056,062
Over 3 years	9,637,284	9,127,125
Subtotal	63,172,321	70,991,852
Less: Impairment of credit losses	6,269,706	4,941,384
Total	56,902,615	66,050,468

Movements in the impairment of credit losses of other receivables are listed as follows:

RMB'000

Item	2023	2022
Opening balance of the current year	4,941,384	4,733,087
Provision for the year	1,864,167	1,450,514
Less: Reversal for the year	472,227	527,791
Less: Write-off for the year	54,945	723,170
Others	(8,673)	8,744
Closing balance of the current year	6,269,706	4,941,384

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (1) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase I by credit risk portfolio is listed as follows:

RMB'000

Nature	Gross carrying amount	Impairment of credit losses	Provision percentage (%)
Loans for cooperative development project	25,704,126	286,076	1.11
Security deposit and cash pledged	13,551,614	825,892	6.09
Advance payments	6,205,737	319,399	5.15
Others	8,228,977	591,206	7.18
Total	53,690,454	2,022,573	3.77

- (2) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase II is listed as follows:

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed individually	3,450,617	65.98	656,207	19.02	2,794,410
Impairment of credit losses assessed by credit risk portfolio	1,779,284	34.02	273,484	15.37	1,505,800
Total	5,229,901	100.00	929,691	17.78	4,300,210

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (2) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase II is listed as follows: (Continued)

Impairment of credit losses assessed individually of other receivables are listed as follows:

RMB'000

Company name	31 December 2023			Reasons
	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	
Company 1	2,537,171	505,619	19.93	Note
Company 2	913,446	150,588	16.49	Note
Total	3,450,617	656,207	19.02	–

Note: According to the recoverability of other receivables, the Group recorded impairment of credit losses.

As at 31 December 2023, analysis of impairment of credit losses assessed by credit risk portfolio of other receivables at phase II is listed as follows:

RMB'000

Nature	Gross carrying amount	Impairment of credit losses	Proportion %
Security deposit and cash pledged	870,443	138,539	15.92
Advance payments	199,136	29,123	14.62
Others	709,705	105,822	14.91
Total	1,779,284	273,484	15.37

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (3) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase III is listed as follows:

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	
Impairment of credit losses assessed individually	2,864,633	67.37	2,157,754	75.32	706,879
Impairment of credit losses assessed by credit risk portfolio	1,387,333	32.63	1,159,688	83.59	227,645
Total	4,251,966	100.00	3,317,442	78.02	934,524

Impairment of credit losses assessed individually of other receivables is listed as follows:

RMB'000

Company name	31 December 2023			Reasons
	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	
Company 1	568,348	77,430	13.62	Note
Company 2	494,197	280,075	56.67	Note
Company 3	168,338	168,338	100.00	Note
Company 4	150,000	150,000	100.00	Note
Company 5	143,066	143,066	100.00	Note
Others	1,340,684	1,338,845	99.86	–
Total	2,864,633	2,157,754	75.32	–

Note: According to the recoverability of other receivables, the Group recorded impairment of credit losses.

For the year ended 31 December 2023, the write-off of other receivables amounted to RMB54,945,000 (for the year ended 31 December 2022: RMB723,170,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

Gross carrying amount of other receivables categorised by nature is listed as follows:

RMB'000

Nature	31 December 2023	31 December 2022
Loans for cooperative development project	29,566,393	35,395,337
Security deposit and cash pledged	15,831,424	16,282,727
Advance payments	7,136,375	7,398,929
Others	10,638,129	11,914,859
Total	63,172,321	70,991,852

As at 31 December 2023, other receivables from the five largest customers are listed as follows:

RMB'000

Company name	Relationship with the Group	Closing balance	Percentage of total balance of other receivables (%)	Nature	Aging	Impairment for credit losses
Company 1	Joint Venture	2,537,172	4.02	Loans for cooperative development project	Over 5 years	505,619
Company 2	Joint Venture	1,633,436	2.59	Loans for cooperative development project	Within 4 years	1,691
Company 3	Associate	1,344,976	2.13	Loans for cooperative development project	Within 3 years	1,345
Company 4	Joint Venture	1,341,562	2.12	Loans for cooperative development project	Within 5 years	1,342
Company 5	Associate	1,124,439	1.77	Loans for cooperative development project	Within 3 years	1,124
Total	-	7,981,585	12.63	-	-	511,121

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	20,759,846	33,381	20,726,465
Work in progress	5,108,554	–	5,108,554
Finished goods	8,436,234	109,436	8,326,798
Turnover materials	13,229,591	99,514	13,130,077
Properties under development (1)	191,963,579	1,274,694	190,688,885
Completed properties held for sale (2)	72,157,755	2,495,742	69,662,013
Total	311,655,559	4,012,767	307,642,792

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	23,988,214	34,073	23,954,141
Work in progress	4,132,887	–	4,132,887
Finished goods	8,237,127	19,083	8,218,044
Turnover materials	12,066,516	99,514	11,967,002
Properties under development (1)	200,416,121	962,053	199,454,068
Completed properties held for sale (2)	53,912,814	1,820,430	52,092,384
Total	302,753,679	2,935,153	299,818,526

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

Movements in the provision for decline in value of inventories are listed as follows:

RMB'000

Item	1 January 2023	Additions		Reductions		31 December 2023
		Provision	Others	Reversal	Write-off and Others	
Raw materials	34,073	2,554	–	1,314	1,932	33,381
Finished goods	19,083	97,176	–	–	6,823	109,436
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	962,053	318,365	–	–	5,724	1,274,694
Completed properties held for sale	1,820,430	1,098,833	–	–	423,521	2,495,742
Total	2,935,153	1,516,928	–	1,314	438,000	4,012,767

RMB'000

Item	1 January 2022	Additions		Reductions		31 December 2022
		Provision	Others	Reversal	Write-off and Others	
Raw materials	24,879	9,194	–	–	–	34,073
Finished goods	83,269	2,217	–	7,163	59,240	19,083
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	677,641	399,989	–	–	115,577	962,053
Completed properties held for sale	1,003,223	875,303	115,577	–	173,673	1,820,430
Total	1,888,526	1,286,703	115,577	7,163	348,490	2,935,153

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(1) Details of the properties under development are listed as follows:

RMB'000

Project name	Construction commencement date	Estimated latest completion date	Estimated aggregate investment amount	31 December 2023	31 December 2022
Wenzhou Lucheng Future Community	September 2020	March 2024	10,705,140	7,113,619	7,494,191
Shanghai Riverside Mansion Project	September 2023	October 2025	8,900,200	6,856,976	-
Tianjin Xipai Guoyin Project	October 2018	October 2024	10,569,200	5,305,364	5,707,240
Tiejian City Project	February 2022	December 2024	11,016,325	4,297,863	3,868,364
Xingyue Yunjian Project	August 2022	October 2024	4,393,940	3,763,903	3,135,188
CRCC Xinda Huayu Tianchen Project	November 2021	July 2024	3,836,220	3,505,483	3,036,145
CRCC Xipai Lan'an Project	May 2022	October 2025	4,879,450	3,297,950	2,817,888
City Throne Project	October 2023	December 2025	8,643,000	3,017,306	-
Chongqing Shanyu Taoyuan Project	June 2022	October 2024	5,564,884	2,987,553	3,854,485
Jinan Wutongyuan Project	May 2020	December 2027	5,334,643	2,888,019	3,079,237
Lingxiu Mansion South Zone Project	December 2018	April 2024	3,371,423	2,868,451	2,862,214
Chengdu Qingyang City Park Junior Project	March 2023	December 2024	3,780,890	2,772,846	2,364,900
New Xidu Project	June 2023	November 2025	4,457,350	2,762,451	-
Tiejian City (Guiyang) Project	August 2020	December 2024	3,792,080	2,758,690	2,804,485
CRCC Huayu City Project	May 2021	December 2024	5,553,727	2,730,762	3,372,651
Chengdu Wuhou City Park Pure Project	November 2023	August 2025	4,351,390	2,689,247	-
Suzhou Chefang Project	August 2022	January 2025	3,090,650	2,500,163	2,200,919
Chongqing City Park Project	January 2022	June 2026	5,575,299	2,446,014	2,176,068
CRCC South China Headquarters Building Project	October 2022	June 2027	5,504,825	2,345,187	2,028,500
CRCC Taiyuan Huayutang Project	March 2019	December 2024	2,906,519	2,323,965	4,162,291
Others	-	-	372,771,867	122,731,767	145,451,355
Total	-	-	488,999,022	191,963,579	200,416,121

As at 31 December 2023, the aggregate carrying amount of borrowing costs capitalised in properties under development was RMB13,646,498,000 (31 December 2022: RMB13,417,224,000). Borrowing costs capitalised for the year ended 31 December 2023 amounted to RMB5,795,870,000 (for the year ended 31 December 2022: RMB6,150,447,000). The capitalisation rates of borrowing costs ranged from 2.55%~7.00% (2022: 3.15%~7.00%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(2) Details of the completed properties held for sale are listed as follows:

RMB'000

Project name	Latest completion date	1 January 2023 Gross carrying amount	Additions	Reductions	31 December 2023 Gross carrying amount
Shanghai Jindi Jiayuan Project	December 2023	-	3,364,224	-	3,364,224
CRCC Huayutang Project	December 2023	-	2,838,740	-	2,838,740
CRCC Xipai Yujiang Project	October 2023	980,506	1,609,063	143,208	2,446,361
Xipai Chenyue Project	September 2023	1,996,428	1,028,034	1,157,412	1,867,050
Guiyang CRCC International City Project	September 2023	1,173,344	1,243,449	690,039	1,726,754
Xipai Huanhua Project	December 2021	1,764,131	80,544	148,974	1,695,701
Tianjin Xipai Guoyin Project	February 2023	1,492,070	853,348	673,951	1,671,467
Florissa Project	August 2023	-	1,878,968	382,635	1,496,333
CRCC Future City Project	December 2023	-	1,554,196	75,684	1,478,512
Changchun Xipai Tangsong Project	February 2022	1,517,649	-	47,333	1,470,316
Qingdao CRCC Plaza Project	December 2023	-	2,096,003	696,426	1,399,577
Tianjin CRCC International City Project	April 2019	1,372,472	-	62,702	1,309,770
CRCC Wutong Garden Project	December 2021	1,389,008	-	115,780	1,273,228
Chongqing Shanyu Taoyuan Project	October 2023	-	1,566,393	322,665	1,243,728
CRCC Xipai City Project	December 2021	1,450,814	-	216,205	1,234,609
Wutong Qianshan Project	June 2022	1,135,903	48,485	53,188	1,131,200
Chengdu Beihu Xinqu Project	December 2019	1,191,890	-	68,712	1,123,178
Xi'an Xipai International Project	May 2023	-	1,498,492	411,576	1,086,916
Chenyue International Project	December 2023	-	3,406,230	2,320,978	1,085,252
Tiejian Garden Project	April 2023	885,606	179,029	-	1,064,635
Others	-	37,562,993	68,998,033	66,410,822	40,150,204
Total	-	53,912,814	92,243,231	73,998,290	72,157,755

The restricted inventories of the Group are stated in Note V. 67.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets

Contract assets are from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract term, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is presented as contract asset, and is disclosed in contract assets/other non-current assets based on liquidity. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities.

RMB'000

Item	31 December 2023	31 December 2022
Contract assets	299,830,365	261,146,740
Less: Provision for impairment losses on contract assets	8,048,261	6,683,222
Total	291,782,104	254,463,518

Movements in provision for impairment losses on contract assets are listed as follows:

RMB'000

Item	2023	2022
Opening balance of current period/year	6,683,222	5,851,536
Provision for the period/year	1,982,624	1,459,725
Less: Reversal for the period/year	617,280	613,084
Others	(305)	(14,955)
Closing balance of current year	8,048,261	6,683,222

The movements in provision for impairment losses on contract assets for the year ended 31 December 2023 are presented in Note VIII. 3.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

Contract assets and provision for impairment losses on contract assets are listed by category are listed as follows:

RMB'000

Category	Gross carrying amount		31 December 2023 Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	27,544,204	9.19	6,359,023	23.09	21,185,181
Provision for impairment of assets assessed by credit risk portfolio	272,286,161	90.81	1,689,238	0.62	270,596,923
Total	299,830,365	100.00	8,048,261	2.68	291,782,104

RMB'000

Category	Gross carrying amount		31 December 2022 Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	26,912,368	10.31	5,340,458	19.84	21,571,910
Provision for impairment of assets assessed by credit risk portfolio	234,234,372	89.69	1,342,764	0.57	232,891,608
Total	261,146,740	100.00	6,683,222	2.56	254,463,518

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

As at 31 December 2023, contract assets whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount	Percentage (%)
Portfolio 1	233,367,630	1,305,416	0.56
Portfolio 2	13,068,458	77,173	0.59
Portfolio 3	3,021,651	15,736	0.52
Portfolio 4	22,828,422	290,913	1.27
Total	272,286,161	1,689,238	0.62

10. Current portion of non-current assets

RMB'000

Item	31 December 2023	31 December 2022
Current portion of long-term receivables (Note V. 13)	15,013,463	10,972,741
Current portion of retention receivables (Note V. 26)	7,533,560	9,005,004
Current portion of other debt investments (Note V, 16)	6,963,058	5,959,529
Current portion of debt investments (Note V. 15)	21,728	142,887
Total	29,531,809	26,080,161

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Other current assets

RMB'000

Item	31 December 2023	31 December 2022
Prepaid taxes and VAT input to be deducted	22,469,099	22,408,489
Reverse repurchase of treasury bonds	2,999,989	–
Others	1,362,344	1,265,583
Total	26,831,432	23,674,072

12. Loans and advances to customers

RMB'000

Item	31 December 2023	31 December 2022
Loans to customers	1,686,305	1,445,190

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term project receivables	67,686,218	2,314,022	65,372,196
PPP project receivables	10,463,336	76,660	10,386,676
Land development receivables	20,704,036	106,952	20,597,084
Others	29,521,058	1,004,473	28,516,585
Total	128,374,648	3,502,107	124,872,541
Less: Current portion of non-current assets:	15,216,381	202,918	15,013,463
Including: Long-term project receivables	4,392,424	56,187	4,336,237
PPP project receivables	2,235,505	32,121	2,203,384
Land development receivables	3,756,602	19,033	3,737,569
Others	4,831,850	95,577	4,736,273
Long-term receivables due after one year	113,158,267	3,299,189	109,859,078

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term project receivables	49,944,925	1,678,948	48,265,977
PPP project receivables	10,081,200	50,300	10,030,900
Land development receivables	13,562,265	61,898	13,500,367
Others	20,252,001	521,692	19,730,309
Total	93,840,391	2,312,838	91,527,553
Less: Current portion of non-current assets:	11,127,390	154,649	10,972,741
Including: Long-term project receivables	3,598,206	37,751	3,560,455
PPP project receivables	3,452,359	24,229	3,428,130
Land development receivables	1,403,083	7,015	1,396,068
Others	2,673,742	85,654	2,588,088
Long-term receivables due after one year	82,713,001	2,158,189	80,554,812

The Group assesses ECL of long-term receivables on an individual or a collective basis of credit risk characteristics.

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	4,667,537	3.64	2,028,406	43.46	2,639,131
Impairment of credit losses assessed by credit risk portfolio	123,707,111	96.36	1,473,701	1.19	122,233,410
Total	128,374,648	100.00	3,502,107	2.73	124,872,541

As at 31 December 2023, long-term receivables with significant financing component were presented in accordance with the net amount after discount. The discount rate is 3.65%-5.50% (31 December 2022: 3.65%-5.50%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

As at 31 December 2023, impairment of credit losses assessed individually of long-term receivables is listed as follows:

RMB'000

Company name	31 December 2023		Provision percentage (%)	Reasons
	Gross carrying amount	Impairment of credit losses		
Company 1	1,384,993	371,015	26.79	Note
Company 2	745,412	430,828	57.80	Note
Company 3	682,097	226,827	33.25	Note
Company 4	525,139	525,139	100.00	Note
Company 5	268,007	40,201	15.00	Note
Others	1,061,889	434,396	40.91	—
Total	4,667,537	2,028,406	43.46	—

Note: According to the recoverability of receivables, the Group recorded impairment of credit losses.

As at 31 December 2023, long-term receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows:

RMB'000

	Gross carrying amount	Impairment of credit losses	
		Amount	Provision percentage (%)
Portfolio 1	102,948,331	1,206,371	1.17
Portfolio 2	119,273	1,306	1.09
Portfolio 3	13,122,340	96,688	0.74
Portfolio 4	7,517,167	169,336	2.25
Total	123,707,111	1,473,701	1.19

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

Movements in the impairment of credit losses of long-term receivables were as follows:

	<i>RMB'000</i>	
Item	2023	2022
Opening balance of the current year	2,312,838	960,518
Provision for the year	1,360,666	1,089,866
Less: Reversal for the year	196,799	151,674
Less: Write-off for the year	–	2,778
Others	25,402	416,906
Closing balance of the current year	3,502,107	2,312,838

As at 31 December 2023, the Group derecognised long-term receivables with gross carrying amount of RMB9,235,018,000 due to the transfer of financial assets (as at 31 December 2022: RMB1,223,292,000), and has recognised losses on derecognition of RMB572,284,000 (as at 31 December 2022: RMB122,882,000).

Assets and liabilities recognised due to continuing involvement in transferred long-term receivables:

As at 31 December 2023, the Group had assets of RMB79,105,000 and liabilities of RMB79,105,000 (As at 31 December 2022: RMB18,321,000 and RMB18,321,000) related to continuing involvement of transferred long-term receivables in previous years.

The restricted long-term receivables of the Group are stated in Note V. 67.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments

RMB'000

Item		31 December 2023	31 December 2022
Investments in unlisted companies – equity method			
Joint ventures	(1)	64,961,146	55,831,598
Associates	(2)	84,366,419	72,202,848
Less: Provision for impairment of long-term equity investments		49,208	49,208
Total		149,278,357	127,985,238

(1) Investment in joint ventures

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in investment	Changes for the year			31 December 2023	Provision for impairment at the end of year	
					Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends			
Sichuan Chengmiancangba Expressway Co., Ltd.	4,102,761	3,222,913	879,848	-	(83)	-	-	4,102,678	-	
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,308,131	653,600	-	76,312	-	(132,455)	3,905,588	-	
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	3,672,324	-	
Chongqing Yuxiang Fuxian Highway Co., Ltd.	2,765,375	2,075,000	690,375	-	-	-	-	2,765,375	-	
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	2,995,367	-	-	(396,161)	-	-	2,599,206	-	
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,294,681	1,502,341	792,793	-	(529)	-	-	2,294,605	-	
Xuchang Municipal Rail Construction Co., Ltd.	1,890,000	-	1,890,000	-	253	-	-	1,890,253	-	
Guizhou Qianzhong Expressway Development Co., Ltd. (Note 3)	1,701,147	701,147	1,000,000	-	-	-	-	1,701,147	-	
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	1,688,101	-	
Guiyang Changda Rail Transit Construction Co., Ltd.	1,619,750	1,199,750	420,000	-	-	-	-	1,619,750	-	
Others	-	35,417,316	5,841,849	(1,709,589)	(506,170)	90,678	(448,066)	(13,107)	38,672,911	(49,208)
Total	-	55,782,390	12,168,465	(1,709,589)	(826,378)	90,678	(580,521)	(13,107)	64,911,938	(49,208)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(1) Investment in joint ventures (Continued)

31 December 2022:

RMB'000

Investee	Investment cost	1 January 2022	Transfer to/ Increase in investment	Decrease in investment	Changes for the year			31 December 2022	Provision for impairment at the end of year	
					Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends			
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,703,600	-	-	(31,276)	-	-	3,672,324	-	
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,137,980	3,137,980	-	-	171,384	-	(1,233)	3,308,131	-	
Sichuan Chengmiancangba Expressway Co., Ltd.	3,222,913	1,593,634	1,629,279	-	-	-	-	3,222,913	-	
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	3,520,838	-	-	(525,471)	-	-	2,995,367	-	
Chongqing Yuxiang Fuxian Highway Co., Ltd.	2,075,000	1,000,000	1,075,000	-	-	-	-	2,075,000	-	
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	1,688,101	-	
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	1,501,888	1,132,036	369,852	-	453	-	-	1,502,341	-	
CROC Shaanxi Highway Co., Ltd.	1,597,200	1,544,830	-	-	(62,471)	-	-	1,482,359	-	
Sichuan Nansuiyong Expressway Co., Ltd.	1,358,709	1,358,709	-	-	-	-	-	1,358,709	-	
Guiyang Changda Rail Transit Construction Co., Ltd.	1,199,750	590,000	609,750	-	-	-	-	1,199,750	-	
Others	-	26,314,672	8,669,038	(1,663,921)	148,349	514	(234,006)	33,277,395	(49,208)	
Total	-	45,584,400	12,352,919	(1,663,921)	(299,032)	514	(234,006)	41,516	55,782,390	(49,208)

Note 1: According to the articles of association of Kunming Rail Transit Line 5 Construction & Operation Co., Ltd., the operation policies and investment plans made by the shareholders' meeting and the resolution of the review and approval of board of directors' report shall be subject to all voting rights of shareholders. The Group holds 54.40% shares in Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. and has sent one director to the board of directors. It can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 2: According to the articles of association of Hohhot Metro Line 2 Construction & Management Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.00% shares in Hohhot Metro Line 2 Construction & Management Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 3: According to the articles of association of Guizhou Qianzhong Expressway Development Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 65.00% shares in Guizhou Qianzhong Expressway Development Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Investment in associates

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in investment	Changes for the year			31 December 2023	Provision for impairment at the end of year	
					Investment or losses under equity method	Other comprehensive income	Declaration of cash dividends			
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,943,766	-	-	211,292	-	-	8,454	3,163,512	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	2,240,108	-	-	462,756	107,635	-	-	2,810,499	-
Hangqu Railway Co., Ltd.	2,589,195	2,226,863	362,000	-	-	-	-	-	2,588,863	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	144,929	-	(144,929)	-	2,463,800	-
CRCC Ningxia Highway Co. Ltd.	2,069,873	1,647,237	422,610	-	-	-	-	-	2,069,847	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,975,223	-	-	(93,996)	-	-	-	1,881,227	-
Shanghai Wanjianglong Real Estate Co., Ltd.	1,862,000	-	1,862,000	-	(1,860)	-	-	-	1,860,140	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	1,727,004	-	-	(84,196)	-	-	-	1,642,808	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,410,000	779,726	740,527	-	85,237	-	-	-	1,605,490	-
Ningxia Inter-City Railway Co., Ltd.	1,589,200	1,701,025	-	(111,825)	72,180	-	(72,180)	-	1,589,200	-
Others	-	54,498,096	10,857,535	(2,712,908)	595,023	(5,470)	(513,855)	(27,388)	62,691,033	-
Total	-	72,202,848	14,244,672	(2,824,733)	1,391,365	102,165	(730,964)	(18,934)	84,366,419	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Investment in associates (Continued)

31 December 2022:

RMB'000

Investee	Investment cost	1 January 2022	Transfer to/ Increase in investment	Decrease in investment	Changes for the year			31 December 2022	Provision for impairment at the end of year	
					Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends			
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,622,806	-	-	270,160	-	-	50,800	2,943,766	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	526,800	1,937,000	-	31,906	-	(31,906)	-	2,463,800	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	1,822,473	-	-	226,519	191,116	-	-	2,240,108	-
Hangqiu Railway Co., Ltd.	2,227,195	1,927,863	299,000	-	-	-	-	-	2,226,863	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	2,029,494	-	-	(54,271)	-	-	-	1,975,223	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	-	1,727,004	-	-	-	-	-	1,727,004	-
Ningxia Inter-City Railway Co., Ltd.	1,701,025	1,812,850	-	(111,825)	80,437	-	(80,437)	-	1,701,025	-
CRCC Ningxia Highway Co. Ltd.	1,647,263	510,212	1,137,025	-	-	-	-	-	1,647,237	-
CRCC Gansu Zhangbian Highway Co., Ltd.	1,469,650	1,532,899	-	-	21,549	-	-	-	1,554,448	-
Baihe No.6 (Shenzhen) Investment Partnership (Note 2)	1,533,000	1,433,000	100,000	-	67,162	-	(67,162)	-	1,533,000	-
Hengda Real Estate (Shenzhen) Co., Ltd.	2,313,506	2,185,523	-	-	(1,845,497)	-	-	-	340,026	-
Others	-	36,175,197	18,148,373	(2,512,018)	371,869	15,796	(292,069)	(56,800)	51,850,348	-
Total	-	52,579,117	23,348,402	(2,623,843)	(830,166)	206,912	(471,574)	(6,000)	72,202,848	-

Note 1: According to the articles of association of CRCC Financial Leasing Co., Ltd., the decisions of amending the company's articles of association, increasing the registered capital, resolutions of the company merger, division, dissolution, changing the company form, scope of operations, issuing of corporate bonds and selecting the directors shall be subject to more than two-thirds of voting rights of shareholders. Others shall be subject to more than half of voting rights of shareholders. As the Group holds 50.00% shares in CRCC Financial Leasing Co., Ltd., it can neither control nor jointly control the entity with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Note 2: The rules of procedure of Baihe No. 6 (Shenzhen) Investment Partnership (Limited Partnership) ("Baihe No. 6 Partnership") stipulate that: Baihe No. 6 Partnership has established the Investment Decision-making Committee ("Investment Committee"), which consists of 7 members. The resolution made by the Investment Committee shall be valid only if it is passed by more than four seventh of all the members present at the meeting. As the Group holds 9.90% of the voting rights of Baihe No. 6 Partnership and nominates one member in the Investment Committee, it can neither control nor jointly control Baihe No. 6 Partnership with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Provision for credit losses	
Long-term loans receivable	7,880,938	1,843,034	6,037,904
Total	7,880,938	1,843,034	6,037,904
Less: Current portion of debt investments (<i>Note V. 10</i>)	21,837	109	21,728
Debt investments due after one year	7,859,101	1,842,925	6,016,176

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Provision for credit losses	
Long-term loans receivable	10,385,271	1,166,128	9,219,143
Others	41	–	41
Total	10,385,312	1,166,128	9,219,184
Less: Current portion of debt investments (<i>Note V. 10</i>)	143,305	418	142,887
Debt investments due after one year	10,242,007	1,165,710	9,076,297

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (Continued)

Changes in provision for credit losses of debt investments are as follows:

RMB'000

Item	2023	2022
1 January 2023	1,166,128	522,560
Provided for the year	694,184	644,423
Less: Reversals for the year	12,389	790
Less: written-off for the year	40	–
Others	(4,849)	(65)
31 December 2023	1,843,034	1,166,128

Debt investments and impairment of credit losses by category are listed as follows:

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	4,341,914	55.09	1,823,855	42.01	2,518,059
Impairment of credit losses assessed by credit risk portfolio	3,539,024	44.91	19,179	0.54	3,519,845
Total	7,880,938	100.00	1,843,034	23.39	6,037,904

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (Continued)

Debt investments and impairment of credit losses by category are listed as follows:
(Continued)

RMB'000

Category	Gross carrying amount		31 December 2022 Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	3,334,241	32.11	1,121,306	33.63	2,212,935
Impairment of credit losses assessed by credit risk portfolio	7,051,071	67.89	44,822	0.64	7,006,249
Total	10,385,312	100.00	1,166,128	11.23	9,219,184

In 2023, debt investments actually written-off are amounted to RMB40,000 (2022: Nil).

As at 31 December 2023, the Group's significant debt investments are as follows:

A subsidiary of the Group had entered into an interest borne loan agreement with a real estate industry customer, and recognised debt investment with gross carrying amount of RMB2,927,357,000. Due to the debt default of this customer, the subsidiary recognised impairment through default exposure and the life-time expected credit loss rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other debt investments

RMB'000

Item	1 January 2023	Increase (decrease) in investment	Accrued interest	Changes in fair value for the year	31 December 2023	Cost of investment	Accumulated changes in fair value
Bond investment	4,971,219	–	150,661	40,139	5,162,019	5,000,000	10,565
Interbank negotiable certificates of deposit	5,922,973	1,000,000	5,989	(12,078)	6,916,884	7,000,000	1,002
Total	10,894,192	1,000,000	156,650	28,061	12,078,903	12,000,000	11,567
Less: Current portion of other debt investments (<i>Note V, 10</i>)	5,959,529	–	–	–	6,963,058	–	–
Non-current portion of other debt investments	4,934,663	–	–	–	5,115,845	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other debt investments (Continued)

As at 31 December 2023, the Group's significant other debt investments are as follows:

RMB'000

Item	Par value	Nominal rate (%)	Effective interest rate (%)	Expiration date
2023 bookkeeping interest bearing (phase IV) treasury bond	5,000,000	2.88	2.62	25 February 2033
Interbank negotiable certificates of deposit	7,000,000	2.20~2.43	2.20~2.43	30 June 2024
Total	12,000,000	—	—	—

17. Other non-current financial assets

RMB'000

Item	31 December 2023	31 December 2022
Investments in unlisted fund product	6,191,649	3,747,217
Equity investments in listed companies	169,604	130,535
Others	3,925,896	4,509,935
Total	10,287,149	8,387,687

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Other equity instrument investments

RMB'000

Item	31 December 2023	31 December 2022
Equity investments in listed companies	1,974,362	2,000,190
Equity investments in unlisted companies	10,601,209	9,939,861
Total	12,575,571	11,940,051

2023:

RMB'000

Item	Changes for the year					31 December 2023	Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
	1 January 2023	Increase of investment	Decrease of investment	Changes in fair value	Others			
Other equity instrument investments	11,940,051	1,172,272	(445,453)	(91,554)	255	12,575,571	116,607	509,306

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Other equity instrument investments (Continued)

2022:

Item	1 January 2022	Changes for the year				31 December 2022	Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
		Increase of investment	Decrease of investment	Changes in fair value	Others			
Other equity instrument investments	11,621,685	1,759,647	(1,140,439)	(291,314)	(9,528)	11,940,051	99,537	646,853

As at 31 December 2023, a portion of other equity instrument investments held by the Group has been derecognised due to disposal. Accumulated gains transferred to retained earnings due to derecognition are amounted to RMB57,749,000 (31 December 2022: RMB4,012,000).

As at 31 December 2023, the Group's significant listed companies' equity instrument investments designated as those at fair value through other comprehensive income are as follows:

Item	31 December 2023	31 December 2022	Reasons for designated at fair value through other comprehensive income
SDIC Capital (600061)	624,852	592,405	Long-term equity investments for strategic purposes
Times Electric (688187)	356,034	534,786	Long-term equity investments for strategic purposes
Tongling Nonferrous (000630)	246,788	234,749	Long-term equity investments for strategic purposes

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties

Subsequent measurement under cost method

2023:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2023	11,759,746	11,759,746
Increase	2,405,017	2,405,017
Additions	598,659	598,659
Transferred in from inventories	1,589,591	1,589,591
Transferred in from fixed assets	110,320	110,320
Transferred in from construction in progress	22,832	22,832
Transferred in from intangible assets	83,615	83,615
Decrease	699,330	699,330
Disposal	632,235	632,235
Others	67,095	67,095
31 December 2023	13,465,433	13,465,433
II. Accumulated depreciation and amortisation		
1 January 2023	1,574,348	1,574,348
Increase	379,832	379,832
Provision	327,347	327,347
Transferred in from fixed assets	35,828	35,828
Transferred in from intangible assets	16,657	16,657
Decrease	114,817	114,817
Disposal	97,485	97,485
Others	17,332	17,332
31 December 2023	1,839,363	1,839,363

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2023: (Continued)

RMB'000

	Buildings and land use right	Total
III. Provision for impairment		
1 January 2023	287,056	287,056
Increase	28,548	28,548
Provision	18,609	18,609
Other increases	9,939	9,939
Decrease	88,980	88,980
Disposal	88,980	88,980
31 December 2023	226,624	226,624
IV. Carrying amount		
Closing balance	11,399,446	11,399,446
Opening balance	9,898,342	9,898,342

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2022:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2022	9,586,037	9,586,037
Increase	3,273,182	3,273,182
Additions	394,019	394,019
Transferred in from inventories	1,028,601	1,028,601
Transferred in from fixed assets	323,856	323,856
Transferred in from construction in progress	1,526,706	1,526,706
Decrease	1,099,473	1,099,473
Disposal	934,478	934,478
Other decreases	164,995	164,995
31 December 2022	11,759,746	11,759,746
II. Accumulated depreciation and amortisation		
1 January 2022	1,299,693	1,299,693
Increase	297,470	297,470
Provision	280,835	280,835
Transferred in from fixed assets	16,635	16,635
Decrease	22,815	22,815
Disposal	15,824	15,824
Other decreases	6,991	6,991
31 December 2022	1,574,348	1,574,348

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2022: (Continued)

	Buildings and land use right	Total
		<i>RMB'000</i>
III. Provision for impairment		
1 January 2022	276,696	276,696
Provision	21,259	21,259
Decrease	10,899	10,899
31 December 2022	287,056	287,056
IV. Carrying amount		
Closing balance	9,898,342	9,898,342
Opening balance	8,009,648	8,009,648

As at 31 December 2023, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB32,134,000 (31 December 2022: Nil). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
Increase	4,791,180	5,524,467	1,482,579	15,812,453	27,610,679
Additions	697,211	4,742,578	1,395,551	13,512,736	20,348,076
Transferred in from construction in progress	4,046,226	693,512	82,724	2,297,200	7,119,662
Transferred in from right-of-use assets	–	88,377	–	–	88,377
Other increases	47,743	–	4,304	2,517	54,564
Decrease	307,085	5,785,412	1,359,201	8,114,153	15,565,851
Disposal or retirement	196,765	3,801,977	866,597	7,976,103	12,841,442
Transferred out to construction in progress	–	1,117,430	–	–	1,117,430
Transferred out to investment properties	110,320	–	–	–	110,320
Other decreases	–	866,005	492,604	138,050	1,496,659
31 December 2023	33,501,341	53,654,595	16,746,401	74,270,557	178,172,894
II. Accumulated depreciation					
1 January 2023	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259
Increase	1,060,222	3,669,020	1,431,926	11,011,602	17,172,770
Provision	1,052,423	3,669,020	1,428,098	11,011,090	17,160,631
Other increases	7,799	–	3,828	512	12,139
Decrease	209,575	4,360,297	1,136,030	6,640,708	12,346,610
Disposal or retirement	173,747	3,016,717	772,767	6,580,424	10,543,655
Transferred out to construction in progress	–	691,014	–	–	691,014
Transferred out to investment properties	35,828	–	–	–	35,828
Other decreases	–	652,566	363,263	60,284	1,076,113
31 December 2023	7,631,423	31,501,806	13,077,687	52,471,503	104,682,419

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets

2023: (Continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2023	90,131	71,544	725	23,608	186,008
Provision	8,430	53,147	–	–	61,577
Disposal or retirement	4,968	20,845	–	–	25,813
Other decreases	783	–	–	–	783
31 December 2023	92,810	103,846	725	23,608	220,989
IV. Carrying amount					
31 December 2023	25,777,108	22,048,943	3,667,989	21,775,446	73,269,486
1 January 2023	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

2022:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2022	26,766,460	51,022,790	15,710,220	60,581,405	154,080,875
Increase	2,866,369	6,594,964	1,772,731	12,633,524	23,867,588
Additions	519,089	3,172,491	1,306,041	11,735,410	16,733,031
Transferred in from construction in progress	2,227,463	2,230,924	346,839	793,443	5,598,669
Transferred in from right-of-use assets	–	395,238	48,250	–	443,488
Other increases	119,817	796,311	71,601	104,671	1,092,400
Decrease	615,583	3,702,214	859,928	6,642,672	11,820,397
Disposal or retirement	255,484	2,568,267	744,366	6,611,955	10,180,072
Transferred out to construction in progress	3,208	1,133,884	109,768	16,368	1,263,228
Transferred out to investment properties	323,856	–	–	–	323,856
Other decreases	33,035	63	5,794	14,349	53,241
31 December 2022	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
II. Accumulated depreciation					
1 January 2022	6,117,492	30,727,249	12,099,659	43,795,111	92,739,511
Increase	864,361	3,973,240	1,450,930	10,501,091	16,789,622
Provision	850,833	3,879,385	1,409,132	10,445,597	16,584,947
Other increases	13,528	93,855	41,798	55,494	204,675
Decrease	201,077	2,507,406	768,798	6,195,593	9,672,874
Disposal or retirement	167,628	1,987,192	693,927	6,170,298	9,019,045
Transferred out to construction in progress	1,485	520,154	71,199	12,236	605,074
Other decreases	31,964	60	3,672	13,059	48,755
31 December 2022	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

2022: (Continued)

Item	<i>RMB'000</i>				
	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2022	77,580	71,544	725	23,843	173,692
Provision	3,022	-	-	-	3,022
Others	9,529	-	-	(235)	9,294
31 December 2022	90,131	71,544	725	23,608	186,008
IV. Carrying amount					
31 December 2022	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799
1 January 2022	20,571,388	20,223,997	3,609,836	16,762,451	61,167,672

The restricted fixed assets of the Group are stated in Note V. 67.

As at 31 December 2023, the Group had no significant fixed assets that were temporarily idle (31 December 2022: Nil).

As at 31 December 2023, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB1,738,325,000 (31 December 2022: RMB1,335,433,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress

RMB'000

Item	31 December 2023			31 December 2022		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	1,255,481	–	1,255,481	1,112,895	–	1,112,895
CRCC South China Headquarters Building Project	945,150	–	945,150	836,141	–	836,141
Jingjiang Bridge Science and Technology Industrial Park	226,214	–	226,214	105,457	–	105,457
CRCC Port and Shipping Project	203,192	–	203,192	30,318	–	30,318
Shield Machine Remanufacturing Project of CRCC Bridge Engineering Bureau Group 2nd Engineering Co., Ltd.	139,649	–	139,649	–	–	–
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	135,754	–	135,754	1,627	–	1,627
Headquarter Buildings in Addis Ababa Ethiopia	135,427	–	135,427	81,363	–	81,363
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	133,484	–	133,484	–	–	–
New Industry Manufacturing Changsha Base Phase I Project	115,175	–	115,175	14,487	–	14,487
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	111,212	–	111,212	67,194	–	67,194
Others	2,419,540	9,563	2,409,977	5,353,252	9,563	5,343,689
Total	5,820,278	9,563	5,810,715	7,602,734	9,563	7,593,171

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

2023:

RMB'000

Item	Budget	1 January 2023	Additions	Transfer out	Others	31 December 2023	Source of funds	Proportion of investment to budget (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	1,431,217	1,112,895	142,586	-	-	1,255,481	Self-funding/loan	88
CRCC South China Headquarters Building Project	2,104,200	836,141	109,009	-	-	945,150	Self-funding/loan	45
Jingjiang Bridge Science and Technology Industrial Park	596,502	105,457	120,757	-	-	226,214	Self-funding/loan	38
CRCC Port and Shipping Project	744,510	30,318	172,874	-	-	203,192	Self-funding/loan	27
Shield Machine Remanufacturing Project of CRCC Bridge Engineering Bureau Group 2nd Engineering Co., Ltd.	142,925	-	139,649	-	-	139,649	Self-funding	98
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	1,627	134,127	-	-	135,754	Self-funding	31
Headquarter Buildings in Addis Ababa Ethiopia	154,475	81,363	54,064	-	-	135,427	Self-funding	88
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	-	133,484	-	-	133,484	Self-funding	27
New Industry Manufacturing Changsha Base Phase I Project	499,200	14,487	100,688	-	-	115,175	Self-funding	23
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	151,748	67,194	44,018	-	-	111,212	Self-funding	73
Others	-	5,353,252	4,429,322	7,273,258	(89,776)	2,419,540	Self-funding/loan	-
Total	-	7,602,734	5,580,578	7,273,258	(89,776)	5,820,278	-	-
Less: Provision for impairment	-	9,563	-	-	-	9,563	-	-
Net value at the end of the year	-	7,593,171	5,580,578	7,273,258	(89,776)	5,810,715	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

2022:

Item	Budget	1 January 2022	Additions	Transfer out	31 December 2022	Source of funds	RMB'000
							Proportion of investment to budget (%)
CRCC Shanghai Lingang Jiayuan Project	2,110,902	410,815	853,556	-	1,264,371	Self-funding/ loan	60
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	2,056,000	892,495	220,400	-	1,112,895	Self-funding/ loan	54
CRCC South China Headquarters Building Project	2,214,513	784,058	52,083	-	836,141	Self-funding/ loan	38
Public Wharf of Qiwei Operating Area, Taixing Port Area, Taizhou Port	662,233	374,466	172,419	-	546,885	Self-funding	83
CRCC Cloud Data Center Computer Room Construction Project	400,000	352,020	-	-	352,020	Self-funding	88
Xi'an Engineering Dispatching Building Project	184,670	120,721	23,128	-	143,849	Self-funding	78
Pingyao Wisdom City Cloud Data Center	174,876	68,837	69,343	-	138,180	Self-funding	79
Yanzhou International Land Port Multimodal Transport Logistics Park Project	270,723	90,838	34,821	-	125,659	Self-funding	46
Renovation Project of Yuqian Railway S-1050 Shield Machine	172,610	-	118,610	-	118,610	Self-funding	69
Others	-	6,189,161	3,964,396	7,189,433	2,964,124	Self-funding/ loan	-
Total	-	9,283,411	5,508,756	7,189,433	7,602,734	-	-
Less: Provision for impairment	-	9,563	-	-	9,563	-	-
Net value at the end of the year	-	9,273,848	5,508,756	7,189,433	7,593,171	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

For the year ended 31 December 2023, construction in progress with a carrying amount of RMB7,119,662,000 (2022: RMB5,598,669,000), RMB130,764,000 (2022: RMB63,650,000) and RMB22,832,000 (2022: RMB1,526,706,000) had been transferred to fixed assets, intangible assets and investment properties respectively.

The restricted construction in progress of the Group are stated in Note V. 67.

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows:

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023	Interest capitalised during the year	Capitalisation rate during the year (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	88	33,994	15,089	3.86
CRCC South China Headquarters Building Project	45	31,348	19,203	3.38
CRCC Port and Shipping Project	27	1,780	1,780	3.70
Jingjiang Bridge Science and Technology Industrial Park	38	17,050	17,050	3.99
Others	–	21,171	174,208	–
Total	–	105,343	227,330	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

2022:

RMB'000

Item	Progress as at 31 December 2022 (%)	Capitalised amount of borrowing costs as at 31 December 2022	Interest capitalised during the year	Capitalisation rate during the year (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	54	18,905	10,700	4.58
CRCC Shanghai Lingang Jiayuan Project	60	9,801	7,648	3.15
CRCC South China Headquarters Building Project	38	12,145	12,145	3.68
Total	–	40,851	30,493	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	4,103,363	5,088,933	601,419	216,527	10,010,242
Additions	2,655,103	1,613,744	122,537	175,850	4,567,234
Disposal or retirement	777,797	1,435,368	44,013	32,719	2,289,897
31 December 2023	5,980,669	5,267,309	679,943	359,658	12,287,579
II. Accumulated depreciation					
1 January 2023	1,840,661	2,563,660	375,573	75,991	4,855,885
Provision	1,091,130	916,195	140,060	74,607	2,221,992
Disposal or retirement	491,327	1,366,082	43,518	30,071	1,930,998
31 December 2023	2,440,464	2,113,773	472,115	120,527	5,146,879
III. Carrying amount					
Closing balance	3,540,205	3,153,536	207,828	239,131	7,140,700
Opening balance	2,262,702	2,525,273	225,846	140,536	5,154,357

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets (Continued)

2022:

	<i>RMB'000</i>				
Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2022	3,395,225	6,370,704	640,547	168,638	10,575,114
Additions	1,267,961	1,051,665	38,732	75,814	2,434,172
Disposal or retirement	559,823	2,333,436	77,860	27,925	2,999,044
31 December 2022	4,103,363	5,088,933	601,419	216,527	10,010,242
II. Accumulated depreciation					
1 January 2022	1,355,144	3,017,347	252,710	42,888	4,668,089
Provision	831,681	1,118,345	143,610	42,647	2,136,283
Disposal or retirement	346,164	1,572,032	20,747	9,544	1,948,487
31 December 2022	1,840,661	2,563,660	375,573	75,991	4,855,885
III. Carrying amount					
Closing balance	2,262,702	2,525,273	225,846	140,536	5,154,357
Opening balance	2,040,081	3,353,357	387,837	125,750	5,907,025

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets

2023:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2023	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
Increase	374,991	7,910,560	413,177	447,675	9,146,403
Additions	374,991	7,640,909	282,377	447,675	8,745,952
Acquisition of subsidiaries	–	186,319	36	–	186,355
Transferred in from construction in progress	–	–	130,764	–	130,764
Other increases	–	83,332	–	–	83,332
Decrease	247,616	–	61,726	48,554	357,896
Disposal or retirement	164,001	–	61,726	48,554	274,281
Other decreases	83,615	–	–	–	83,615
31 December 2023	9,295,728	66,832,816	1,739,925	2,121,434	79,989,903
II. Accumulated amortisation					
1 January 2023	1,947,968	3,766,111	891,867	753,532	7,359,478
Increase	233,887	1,015,755	253,790	110,414	1,613,846
Provision	233,887	997,898	253,790	110,414	1,595,989
Other increases	–	17,857	–	–	17,857
Decrease	69,952	–	48,348	25,214	143,514
Disposal or retirement	53,295	–	48,348	25,214	126,857
Other decreases	16,657	–	–	–	16,657
31 December 2023	2,111,903	4,781,866	1,097,309	838,732	8,829,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets

2023: (Continued)

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
III. Provision for impairment					
1 January 2023	9,043	1,060,130	–	242,003	1,311,176
Provision	–	–	–	112,459	112,459
31 December 2023	9,043	1,060,130	–	354,462	1,423,635
IV. Carrying amount					
Closing balance	7,174,782	60,990,820	642,616	928,240	69,736,458
Opening balance	7,211,342	54,096,015	496,607	726,778	62,530,742

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

2022:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2022	8,759,558	64,136,600	1,130,602	1,608,012	75,634,772
Increase	631,920	13,635,096	293,546	188,696	14,749,258
Additions	631,920	11,394,303	234,747	183,792	12,444,762
Acquisition of subsidiaries	–	1,743,463	–	–	1,743,463
Other increases	–	497,330	58,799	4,904	561,033
Decrease	223,125	18,849,440	35,674	74,395	19,182,634
Disposal or retirement	174,907	121,221	35,674	74,395	406,197
Disposal of subsidiaries	–	18,728,219	–	–	18,728,219
Other decreases	48,218	–	–	–	48,218
31 December 2022	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
II. Accumulated amortisation					
1 January 2022	1,808,791	3,036,253	710,418	583,898	6,139,360
Increase	193,990	866,491	212,049	246,396	1,518,926
Provision	193,990	866,491	212,049	246,396	1,518,926
Decrease	54,813	136,633	30,600	76,762	298,808
Disposal or retirement	54,813	118,845	30,600	76,762	281,020
Disposal of subsidiaries	–	17,788	–	–	17,788
31 December 2022	1,947,968	3,766,111	891,867	753,532	7,359,478

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

2022: (Continued)

Item	<i>RMB'000</i>				
	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
III. Provision for impairment					
1 January 2022	9,043	1,060,130	–	165,080	1,234,253
Provision	–	–	–	76,923	76,923
31 December 2022	9,043	1,060,130	–	242,003	1,311,176
IV. Carrying amount					
Closing balance	7,211,342	54,096,015	496,607	726,778	62,530,742
Opening balance	6,941,724	60,040,217	420,184	859,034	68,261,159

As at 31 December 2023, intangible assets recognised through internal research and development account for 0.06% of the closing balance of intangible assets (31 December 2022: 0.01%).

The restricted intangible assets of the Group are stated in Note V. 67.

As at 31 December 2023, the Group was in the process of applying for the title certificates of certain parcels of its land in the PRC with an aggregate carrying amount of RMB60,675,000 (31 December 2022: RMB225,903,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such land, and also of the opinion that the matter did not have any significant adverse impact on the Group's financial position as at 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows:

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023 (Note)	Interest capitalised during the year	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,125,187	—	—
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	483,987	—	—
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	99	225,682	108,134	3.45
Guizhou Anshun to Ziyun Highway Project concession rights	100	154,716	—	—
Guangxi Nanyuzhu Highway Yuheng Section concession rights	72	149,123	122,892	3.08
Henan Lanyuan Expressway Project concession rights	98	138,706	13,146	3.64
Yusui Highway Project concession rights	100	77,570	—	—
Chongqing rail transit Jiangtiao Line construction project concession rights	100	57,368	—	—
Beijing New Airport North Line Highway project	100	56,192	—	—
Others	—	211,087	67,537	—
Total	—	2,679,618	311,709	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

2022:

RMB'000

Item	Progress as at 31 December 2022 (%)	Capitalised amount of borrowing costs as at 31 December 2022 (Note)	Interest capitalised during the year	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,151,795	–	–
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	546,609	–	–
Yusui Highway Project concession rights	100	192,971	–	–
Guizhou Anshun to Ziyun Highway Project concession rights	100	165,669	–	–
Henan Lanyuan Expressway Project concession rights	96	125,560	80,161	4.06
Beijing New Airport North Line Highway project	100	64,976	5,023	3.95
Chongqing rail transit Jiangtiao Line construction project concession rights	100	60,328	40,440	3.73
Others	–	223,750	63,844	–
Total	–	2,531,658	189,468	–

Note: It is accumulated during the construction of the concession rights and will be amortised according to the expected realisation of the economic benefits of the project during its operation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill

2023:

Original costs

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	399,073	-	-	23,760	422,833
Acquisition of CIDEON Company (Note 2)	91,369	-	-	-	91,369
Others	43,128	-	-	-	43,128
Total	533,570	-	-	23,760	557,330

Provision for impairment

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	313,378	91,036	-	18,419	422,833
Acquisition of CIDEON Company (Note 2)	56,674	22,206	-	-	78,880
Total	370,052	113,242	-	18,419	501,713

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2023: (Continued)

Net value of goodwill

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	85,695	–	91,036	5,341	–
Acquisition of CIDEON Company (Note 2)	34,695	–	22,206	–	12,489
Others	43,128	–	–	–	43,128
Total	163,518	–	113,242	5,341	55,617

2022:

Original costs

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company (Note 1)	388,149	–	–	10,924	399,073
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	522,646	–	–	10,924	533,570

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2022: (Continued)

Provision for impairment

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company <i>(Note 1)</i>	115,511	194,616	–	3,251	313,378
Acquisition of CIDEON Company <i>(Note 2)</i>	47,636	9,038	–	–	56,674
Total	163,147	203,654	–	3,251	370,052

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2022: (Continued)

Net value of goodwill

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company (<i>Note 1</i>)	272,638	–	194,616	7,673	85,695
Acquisition of CIDEON Company (<i>Note 2</i>)	43,733	–	9,038	–	34,695
Others	43,128	–	–	–	43,128
Total	359,499	–	203,654	7,673	163,518

Note 1: The goodwill of EUR 54,670,000 was acquired in the business combination involving entities not under common control of GRUPO ALDESA, S.A. on 8 May 2020. In 2023, the Group recognised impairment of the goodwill of EUR 11,580,000, accumulated impairment of EUR 54,670,000 (2022: recognised impairment of the goodwill of EUR 26,220,000).

Note 2: On 29 February 2016, the Group purchased CIDEON Engineering GmbH&Co.KG, CIDEON Engineering Verwaltungs GmbH and CIDEON Schweiz AG (collectively referred to as "CIDEON Company"), which is a business combination involving entities not under common control and resulted in the increase in goodwill by EUR 11,710,000. In 2023, the Group recognised impairment of the goodwill of EUR 2,830,000 accumulated impairment of EUR 10,040,000 (2022: recognised impairment of the goodwill of EUR 1,220,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities

RMB'000

Item	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences (restated)	Deferred tax assets (restated)
Deferred tax assets				
Provision for long-term post-leaving benefits	91,393	17,850	119,321	24,514
Provision for impairment of credit and assets	35,127,556	6,272,952	27,291,092	4,849,872
Deductible tax losses	5,299,868	1,296,557	3,645,071	887,364
Lease liabilities	5,105,216	1,016,877	2,279,489	424,530
Revaluation surplus from restructuring	1,155,432	288,858	1,180,896	292,930
Unrealised profits of intra-group transactions	8,230,341	1,866,254	7,230,176	1,558,174
Changes in fair value of other equity instrument investments	131,883	26,746	118,549	19,245
Interest expenses that can be carried forward for deduction	703,912	175,978	692,209	173,052
Others	8,558,936	1,721,197	8,427,645	1,655,449
Total	64,404,537	12,683,269	50,984,448	9,885,130

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

RMB'000

Item	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences (restated)	Deferred tax liabilities (restated)
Deferred tax liabilities				
Right-of-use assets	5,631,994	1,106,812	2,862,025	520,341
Changes in fair value of other equity instrument investments	1,237,793	230,969	1,360,596	235,224
Asset appreciation from appraisal for business combinations involving entities not under common control	391,297	97,824	316,684	79,171
Book-tax temporary differences for revenue recognition	4,995,849	1,318,904	3,918,918	1,046,440
Others	3,325,349	725,451	2,194,320	525,764
Total	15,582,282	3,479,960	10,652,543	2,406,940

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

RMB'000

Item	Offset amount between deferred tax assets and liabilities at the end of the year	Closing balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities at the beginning of the year (restated)	Opening balance of deferred tax assets or liabilities after offset (restated)
Deferred tax assets	1,471,357	11,211,912	782,107	9,103,023
Deferred tax liabilities	1,471,357	2,008,603	782,107	1,624,833

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

RMB'000

Item	31 December 2023	31 December 2022 (restated)
Deductible temporary differences	14,316,726	11,904,781
Deductible tax losses	23,172,034	20,931,229
Total	37,488,760	32,836,010

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

Deductible losses, for which no deferred tax assets are recognised, will expire in the following years:

	<i>RMB'000</i>	
Year	31 December 2023	31 December 2022
2023	–	2,973,276
2024	1,927,158	2,343,634
2025	3,452,708	3,459,570
2026	4,865,996	4,923,543
2027	4,652,072	5,089,955
2028	6,200,188	294,123
2029	185,955	267,110
2030	857,374	857,374
2031	427,993	427,993
2032	294,077	294,651
2033	308,513	–
Total	23,172,034	20,931,229

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets

RMB'000

Item	31 December 2023	31 December 2022
Retention receivables	77,647,914	72,427,749
Contract assets derived from land development receivables and other project receivables	47,428,493	40,678,129
Others	6,413,083	4,070,364
Subtotal	131,489,490	117,176,242
Less: Current portion of other non-current assets (Note V. 10)	7,533,560	9,005,004
Total	123,955,930	108,171,238

The restricted other non-current assets of the Group are stated in Note V. 67.

Contract assets and provision for impairment of assets in other non-current assets are disclosed by category as follows:

RMB'000

Category	Gross carrying amount		31 December 2023 Provision for impairment of assets		Carrying amount
	Amount	Percentage %	Amount	Provision percentage %	
Provision for impairment of assets assessed individually	6,013,051	4.71	1,929,165	32.08	4,083,886
Provision for impairment of assets assessed by credit risk portfolio	121,763,841	95.29	771,320	0.63	120,992,521
Total	127,776,892	100.00	2,700,485	2.11	125,076,407

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets (Continued)

Movements of contract assets and provision for impairment of assets in other non-current assets are as follows:

RMB'000

Item	31 December 2022	Provision	Reversal	Others	31 December 2023
Provision for impairment of assets	2,464,951	585,743	339,378	(10,831)	2,700,485

As at 31 December 2023, contract assets in other non-current assets with provision for impairment of assets assessed individually are as follows:

RMB'000

Company name	31 December 2023			Reason
	Gross carrying amount	Provision for impairment of assets	Provision percentage %	
Company 1	1,219,331	109,306	8.96	Note
Company 2	563,149	30,221	5.37	Note
Company 3	304,121	95,442	31.38	Note
Company 4	81,556	11,970	14.68	Note
Company 5	63,556	13,336	20.98	Note
Others	3,781,338	1,668,890	44.13	–
Total	6,013,051	1,929,165	32.08	–

Note: According to the recoverability of other non-current assets, the Group recorded impairment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets (Continued)

As at 31 December 2023, contract assets in other non-current assets whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount	Provision proportion %
Portfolio 1	84,911,993	434,672	0.51
Portfolio 2	7,193,534	38,607	0.54
Portfolio 3	7,694,703	38,297	0.50
Portfolio 4	21,963,611	259,744	1.18
Total	121,763,841	771,320	0.63

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Short-term loans

RMB'000

Item	31 December 2023	31 December 2022
Credit loans	76,839,215	47,492,300
Guaranteed loans (<i>Note 3</i>)	1,498,950	3,243,900
Pledged loans (<i>Note 1 and Note 2</i>)	3,501,593	631,362
Total	81,839,758	51,367,562

Note 1: As at 31 December 2023, short-term loans with a carrying amount of RMB3,501,593,000 (31 December 2022: RMB607,512,000) were secured by the pledge of the Group's trade receivables and all the interests and gains under the contracts thereof with a carrying amount of RMB3,501,593,000 (31 December 2022: RMB607,512,000).

Note 2: As at 31 December 2023, short-term loans with a carrying amount of Nil (31 December 2022: RMB23,850,000) were secured by the pledge of the Group's bills receivable with a carrying amount of Nil (31 December 2022: RMB23,850,000).

Note 3: As at 31 December 2023 and 31 December 2022, all guaranteed loans were guaranteed by the entities comprising the Group.

As at 31 December 2023, annual interest rates of above short-term loans ranged from 1.45% to 8.50% (31 December 2022: 1.70% to 7.03%).

As at 31 December 2023, the Group had no overdue short-term loans (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Due to customers

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Due to customers	1,356,691	3,168,603

29. Bills payable

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Bank acceptance bills	40,359,706	62,865,413
Commercial acceptance bills	13,101,536	26,741,929
Total	53,461,242	89,607,342

As at 31 December 2023, the Group had no unpaid overdue bills payable (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Trade payables

Aging of trade payables is listed as follows:

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Within 1 year	481,905,215	416,162,468
1 to 2 years	6,632,866	6,496,421
2 to 3 years	2,006,849	1,986,922
Over 3 years	1,022,284	923,127
Total	491,567,214	425,568,938

As at 31 December 2023, trade payables aged over one year amounted to RMB9,661,999,000 (31 December 2022: RMB9,406,470,000), primarily consisted of payables for construction contracts and materials. Since the progress of relevant projects had not reached the point of payments, these trade payables had not been settled.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Advances for construction operations	77,398,274	80,669,972
Advances for the sale of properties (<i>Note</i>)	67,719,450	78,267,582
Advances for the sale of materials	3,266,407	2,970,798
Advances for the sale of goods	825,717	1,013,812
Others	986,454	1,196,623
Total	150,196,302	164,118,787

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (Continued)

Note: Details of advances for the sale of properties are listed as follows:

RMB'000

Project name	31 December 2023	Percentage of accumulated pre-sales as at 31 December 2023 (%)	Estimated completion date
Wenzhou Lucheng Future Community	6,034,595	94	March 2024
Xingyue Yunjian Project	4,825,448	94	October 2024
Chengdu Qingyang City Park Junior Project	4,151,744	90	December 2024
Shanghai Jindi Jiayuan Project	3,987,865	100	December 2023
Shanghai Riverside Mansion Project	2,468,650	25	October 2025
Chengdu Wuhou City Park Junior Project	2,212,711	83	June 2024
Xipai Chengyang Project	2,206,623	95	December 2024
CRCC Huayutang Project	1,868,461	27	December 2024
Jinyue Mingdi Project	1,846,759	89	December 2024
Hangzhou Lakeside Mansion Project	1,758,194	99	October 2024
Xipai Tangyue Project	1,527,480	80	December 2024
Xi'an CRCC International City III Project	1,524,759	94	June 2024
Chenyue International Project	1,453,742	95	July 2024
Suzhou Chefang Project	1,343,602	18	January 2025
Tiejian City Project	1,287,024	20	December 2024
Huayu Tianchen Project	1,180,821	25	July 2024
Haiyu East Coast Project	1,073,551	76	May 2024
Wuhan CRCC International City III Project	1,055,894	43	December 2024
Chongqing Shanyu Taoyuan Project	990,475	20	October 2024
Xi'an CRCC International City II Project	987,509	96	June 2024
Others	23,933,543	–	–
Total	67,719,450	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (Continued)

As at the balance sheet date, significant contract liabilities aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	31 December 2023	Reasons
Company 1	Third party	615,488	Work performed but not billed
Company 2	Third party	566,565	Work performed but not billed
Company 3	Third party	281,073	Work performed but not billed
Company 4	Third party	275,854	Work performed but not billed
Company 5	Third party	202,999	Work performed but not billed
Total	–	1,941,979	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Short-term benefits	11,738,521	73,412,704	71,609,316	13,541,909
Post-employment benefits (defined contribution plans)	2,168,216	8,984,873	8,577,565	2,575,524
Total	13,906,737	82,397,577	80,186,881	16,117,433

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Short-term benefits	10,440,532	71,526,484	70,228,495	11,738,521
Post-employment benefits (defined contribution plans)	1,740,572	8,544,918	8,117,274	2,168,216
Total	12,181,104	80,071,402	78,345,769	13,906,737

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Short-term benefits:

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Salaries, bonuses, allowances and subsidies	8,035,885	50,677,931	49,664,270	9,049,546
Staff welfare	–	4,812,981	4,812,981	–
Social insurance	1,302,419	4,661,509	4,424,366	1,539,562
Including: Medical insurance	1,144,269	4,217,786	3,990,996	1,371,059
Work injury insurance	116,099	348,225	336,185	128,139
Maternity insurance	42,051	95,498	97,185	40,364
Housing funds	994,463	4,690,939	4,511,613	1,173,789
Union fund and employee education fund	745,917	1,488,537	1,418,229	816,225
Others	659,837	7,080,807	6,777,857	962,787
Total	11,738,521	73,412,704	71,609,316	13,541,909

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Short-term benefits: (Continued)

2022:

Item	<i>RMB'000</i>			
	1 January 2022	Accrued	Paid	31 December 2022
Salaries, bonuses, allowances and subsidies	7,282,318	49,108,099	48,354,532	8,035,885
Staff welfare	–	4,513,933	4,513,933	–
Social insurance	1,066,770	4,440,703	4,205,054	1,302,419
Including: Medical insurance	927,671	4,031,291	3,814,693	1,144,269
Work injury insurance	98,831	328,977	311,709	116,099
Maternity insurance	40,268	80,435	78,652	42,051
Housing funds	773,898	4,225,237	4,004,672	994,463
Union fund and employee education fund	683,303	1,239,814	1,177,200	745,917
Others	634,243	7,998,698	7,973,104	659,837
Total	10,440,532	71,526,484	70,228,495	11,738,521

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Defined contribution plan:

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Basic pension insurance	1,491,523	6,505,311	6,273,838	1,722,996
Unemployment insurance	91,267	247,255	233,206	105,316
Supplementary pension insurance	585,426	2,232,307	2,070,521	747,212
Total	2,168,216	8,984,873	8,577,565	2,575,524

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Basic pension insurance	1,192,473	6,150,281	5,851,231	1,491,523
Unemployment insurance	83,415	223,863	216,011	91,267
Supplementary pension insurance	464,684	2,170,774	2,050,032	585,426
Total	1,740,572	8,544,918	8,117,274	2,168,216

Defined contribution plan includes basic pension insurance and unemployment insurance managed by local governments and the Group's supplementary pension insurance. In addition to the monthly payments, the Group is no longer liable for further payments. Relevant expenditures are capitalised or expensed in the period when incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Taxes payable

RMB'000

Item	31 December 2023	31 December 2022
EIT	4,279,976	3,320,134
VAT	2,326,120	3,525,500
Others	2,453,181	2,091,257
Total	9,059,277	8,936,891

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables

RMB'000

Item	31 December 2023	31 December 2022
Payables for advances	35,267,909	33,556,384
Guarantees and deposits	31,249,355	29,152,849
Amounts due to related parties	17,933,942	12,986,906
Amounts due to partners	3,729,513	4,323,982
Dividends payable	1,137,603	1,064,805
Others	16,739,815	19,443,961
Total	106,058,137	100,528,887

As at 31 December 2023, significant other payables aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	31 December 2023	Reasons
Company 1	Third Party	854,402	Payables not settled
Company 2	Third Party	248,275	Payables not settled
Company 3	Third Party	174,187	Payables not settled
Company 4	Third Party	124,604	Payables not settled
Company 5	Third Party	100,554	Payables not settled
Total	–	1,502,022	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Current portion of non-current liabilities

RMB'000

Item	31 December 2023	31 December 2022
Current portion of long-term loans (<i>Note V. 37</i>)	32,205,519	20,131,882
Current portion of bonds payable (<i>Note V. 38</i>)	12,173,678	17,098,279
Current portion of long-term payables	7,732,647	6,369,715
Current portion of lease liabilities (<i>Note V. 39</i>)	2,106,473	1,694,787
Current portion of provisions	224,184	194,129
Current portion of post-employment benefits payable	26,017	39,003
Total	54,468,518	45,527,795

The current portion of long-term loans is presented as follows:

RMB'000

Item	31 December 2023	31 December 2022
Credit loans	20,912,845	14,627,311
Guaranteed loans (<i>Note V. 37 (Note 8)</i>)	2,386,436	1,962,563
Mortgaged loans (<i>Note V. 37 (Note 4, 5, 7)</i>)	4,482,925	2,445,305
Pledged loans (<i>Note V. 37 (Note 1, 2, 3)</i>)	4,423,313	1,096,703
Total	32,205,519	20,131,882

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Other current liabilities

RMB'000

Item	31 December 2023	31 December 2022
Amounts to be transferred to output VAT	33,419,043	30,397,119
Short-term unsecured financing bonds (<i>Note 1</i>)	–	419,247
Others	275,743	777,731
Total	33,694,786	31,594,097

Note 1: Short-term unsecured financing bonds bear a fixed interest rate. The principal and interest will be repaid at the end of the term upon issuance and repayment of principal and interest at maturity.

The movement of short-term unsecured financing bonds is listed as follows:

RMB'000

Bond name	Par value	Issuance date	Bond term	Opening balance	Net amount of issuance during the year	Interests accrued	Amortisation of discounts and premium and effects of exchange rate	Repayment of principal and interest for the year	Closing balance
CRCC super short-term commercial paper Phase I in 2023	RMB3 billion	12 April 2023	77 days	–	3,000,000	13,822	–	3,013,822	–
CRCC super short-term commercial paper Phase II in 2023	RMB3 billion	13 April 2023	75 days	–	3,000,000	13,525	–	3,013,525	–
Aldesa Agrupación Empresarial, S.A.U. EUR28.05 million short-term commercial bills	EUR 28.05 million	8 June 2022	12 months	201,690	–	–	6,593	208,283	–
Others	–	–	–	217,557	–	–	1,752	219,309	–
Total	–	–	–	419,247	6,000,000	27,347	8,345	6,454,939	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans

RMB'000

Item	31 December 2023	31 December 2022
Pledged loans (<i>Note 1, Note 2, Note 3,</i>)	46,162,594	38,557,624
Mortgaged loans (<i>Note 4, Note 5, Note 6, Note 7</i>)	23,030,661	24,220,319
Guaranteed loans (<i>Note 8</i>)	8,844,955	11,105,099
Credit loans	87,583,268	59,532,386
Total	165,621,478	133,415,428

Note 1: As at 31 December 2023, long-term loans with a carrying amount of RMB31,447,659,000, including current portion of long-term loans of RMB516,497,000 (31 December 2022: RMB29,260,863,000, including current portion of long-term loans of RMB440,030,000) were secured by pledges of the Group's concession rights with a carrying amount of RMB44,149,387,000 (31 December 2022: RMB43,200,375,000).

Note 2: As at 31 December 2023, long-term loans with a carrying amount of RMB6,102,222,000 including current portion of long-term loans of RMB2,260,244,000 (31 December 2022: RMB832,670,000, including current portion of long-term loans of RMB1,781,000) were secured by pledge of the Group's trade receivables with a carrying amount of RMB6,118,285,000 (31 December 2022: RMB1,150,368,000).

Note 3: As at 31 December 2023, long-term loans with a carrying amount of RMB13,036,026,000 including current portion of long-term loans of RMB1,646,572,000 (31 December 2022: RMB9,560,794,000, including current portion of long-term loans of RMB654,892,000) were secured by pledges of the Group's contract assets of primary land development and other projects with a carrying amount of RMB14,856,837,000 (31 December 2022: the Group's contract assets of primary land development and other projects RMB14,937,347,000), and long-term receivables RMB5,435,799,000 (31 December 2022: RMB1,177,072,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (Continued)

- Note 4:* As at 31 December 2023, long-term loans with a carrying amount of RMB1,522,817,000, including current portion of long-term loans of RMB63,087,000 (31 December 2022: RMB828,087,000, including current portion of long-term loans of RMB3,124,000) were secured by mortgages of the Group's fixed assets with a carrying amount of RMB2,955,270,000 (31 December 2022: RMB2,636,141,000).
- Note 5:* As at 31 December 2023, long-term loans with a carrying amount of RMB24,393,987,000, including current portion of long-term loans of RMB4,200,338,000 (31 December 2022: RMB23,939,079,000, including current portion of long-term loans of RMB2,421,591,000) were secured by mortgages of the Group's inventories with a carrying amount of RMB45,687,542,000 (31 December 2022: RMB59,933,128,000).
- Note 6:* As at 31 December 2023, long-term loans with a carrying amount of RMB1,148,207,000 (31 December 2022: RMB1,493,647,000), were secured by mortgages of the Group's construction in progress with a carrying amount of RMB3,030,237,000 (31 December 2022: RMB2,868,791,000).
- Note 7:* As at 31 December 2023, long-term loans with a carrying amount of RMB448,575,000, including current portion of long-term loans of RMB219,500,000 (31 December 2022: RMB404,811,000, including current portion of long-term loans of RMB20,590,000) were secured by pledges of the Group's land use rights with a carrying amount of RMB689,249,000 (31 December 2022: RMB680,796,000).
- Note 8:* As at 31 December 2023, the guaranteed long-term loans, including current portion of long-term loans of RMB2,386,436,000 (31 December 2022: RMB1,962,563,000), were all internally guaranteed by the entities comprising the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (Continued)

As at 31 December 2023, the Group had no overdue long-term loans (31 December 2022: Nil).

The maturity profile of the long-term loans as at the end of the year is listed as follows:

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Within one year or paid on demand (<i>Note V. 35</i>)	32,205,519	20,131,882
In the second year (inclusive)	42,917,553	31,883,891
In the third to fifth year (inclusive)	70,846,881	58,546,047
Over five years	51,857,044	42,985,490
Total	197,826,997	153,547,310

38. Bonds payable

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Bonds payable	43,205,227	45,194,975
Less: Current portion of bonds payable (<i>Note V. 35</i>)	12,173,678	17,098,279
Non-current portion of bonds payable	31,031,549	28,096,696

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows:

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,975,000	15 September 2020/13 September 2023	3+2 years	3,975,000	4.05%	3,620,343	385,000	141,177	3,023	715,395	3,434,148
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	3,075,098	–	109,500	2,660	209,500	2,977,758
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,768,924	–	87,750	(4,279)	87,750	2,764,645
CRCC Hean Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	20 May 2021	5 years	EUR 300 million	0.88%	2,232,583	–	20,576	132,466	19,905	2,365,720
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	9 January 2023	3+2 years	2,200,000	4.45%	–	2,200,000	89,742	(3,315)	–	2,286,427
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,147,106	–	87,675	1,690	67,200	2,169,271
CRCC Hean Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,088,966	–	39,979	36,770	39,929	2,125,786
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,058,325	–	83,400	1,529	83,400	2,059,854
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,016,308	–	70,400	807	70,400	2,017,115
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	1,830,000	10 March 2023	3+2 years	1,830,000	3.84%	–	1,830,000	72,000	(3,958)	–	1,898,042
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	27 June 2022/14 August 2023	3+2 years	1,760,000	3.43%	1,228,492	560,000	68,600	2,702	68,600	1,791,194
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,732,807	–	62,390	1,530	62,390	1,734,337
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public corporate bonds for professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,343,183	–	49,140	1,109	49,140	1,344,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public corporate bonds for professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,841	-	51,350	1,154	51,351	1,341,994
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	17 July 2023	3+2 years	1,300,000	3.58%	-	1,300,000	19,392	(2,172)	-	1,317,220
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,120,000	15 July 2022/14 August 2023	3+2 years	1,120,000	3.40%	918,178	220,000	51,000	685	51,000	1,138,863
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public corporate bonds for professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,120,060	-	36,408	1,133	36,408	1,121,193
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	1,126,716	-	49,500	(110)	59,500	1,116,606
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,032,355	-	31,996	(5,590)	31,996	1,026,765
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	900,000	23 March 2020	3+2 years	900,000	4.30%	920,738	-	36,083	565	39,520	917,866
China Railway Construction Real Estate Group Co., Ltd. – 2022- fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	786,241	-	32,000	1,155	32,000	787,396
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	-	700,000	16,567	(1,336)	-	715,231
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	700,000	12 October 2022/11 October 2023	3+2 years	700,000	3.74%	402,866	300,000	26,180	29	26,180	702,895
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,227	-	20,700	148	20,700	615,375
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	515,762	-	18,500	216	18,500	515,978

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	-	500,000	14,625	(902)	-	513,723
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,268	-	26,800	363	26,800	507,631
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of targeted placement notes	500,000	4 July 2023	3+2 years	500,000	3.65%	-	500,000	3,042	(881)	-	502,161
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.68%	328,456	-	18,400	1,358	18,401	329,813
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	300,000	28 March 2022/26 October 2023	3+2 years	300,000	3.70%	167,827	140,000	16,533	554	11,970	312,944
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.99%	308,257	-	11,100	(398)	31,100	287,859
China Railway Construction Real Estate Group Co., Ltd. – 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,514	-	10,980	(410)	10,979	263,105
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	1,200,000	9 April 2019	3+2 years	1,200,000	3.19%	196,725	-	6,283	5,295	6,283	202,020
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 1)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,593,404	-	72,695	(29,962)	5,636,137	-
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	819,052	-	6,360	28	825,440	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway SIYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020	3 years	1,000,000	2.50%	1,014,722	-	10,278	25,000	1,050,000	-
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,982	-	4,000	18	516,000	-
China Railway Construction Real Estate Group Co., Ltd. – 2018 first issue of medium term note	2,200,000	19 January 2018	5 years	2,200,000	5.94%	2,290,170	-	7,883	(3,453)	2,294,600	-
China Railway Construction Real Estate Group Co., Ltd. – Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 years	100,000	5.50%	102,479	-	1,060	2,927	106,466	-
Total	-	-	-	-	-	45,194,975	8,635,000	1,582,044	168,148	12,374,940	43,205,227
Less: Current portion of bonds payable	-	-	-	-	-	17,098,279	-	-	-	-	12,173,678
Non-current portion of bonds payable	-	-	-	-	-	28,096,696	-	-	-	-	31,031,549

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows:

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 1)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,114,572	-	195,049	476,906	193,123	5,593,404
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of public placement corporate bonds to professional investors	3,590,000	15 September 2020/9 May 2022	3+2 years	3,590,000	4.05%	3,119,985	500,000	145,395	358	145,395	3,620,343
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	-	3,000,000	82,125	(7,027)	-	3,075,098
China Railway Construction Real Estate Group Co., Ltd. - 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,780,751	-	99,570	3,353	114,750	2,768,924
China Railway Construction Real Estate Group Co., Ltd. - 2018 first issue of medium term note	2,200,000	19 January 2018	5 year	2,200,000	5.94%	2,281,110	-	94,936	8,724	94,600	2,290,170
CRCC Hean Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	20 May 2021	5 year	EUR 300 million	0.88%	2,169,905	-	19,066	62,349	18,737	2,232,583
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	3.20%	2,146,496	-	67,200	610	67,200	2,147,106
CRCC Hean Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 year	USD300 million	1.88%	1,911,100	-	39,236	177,605	38,975	2,088,966
China Railway Construction Real Estate Group Co., Ltd. - 2021 first issue of medium term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,057,655	-	83,400	670	83,400	2,058,325
China Railway Construction Investment Group Co., Ltd. - 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 year	2,000,000	3.52%	2,015,414	-	70,400	894	70,400	2,016,308
China Railway Construction Real Estate Group Co., Ltd. - 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	-	1,690,000	46,793	(3,986)	-	1,732,807
China Railway Construction Real Estate Group Co., Ltd. - 2021 first issue of public corporate bonds for professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,342,836	-	49,140	347	49,140	1,343,183
China Railway Construction Real Estate Group Co., Ltd. - 2021 second issue of public corporate bonds for professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,541	-	51,350	300	51,350	1,340,841

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,200,000	27 June 2022	3+2 years	1,200,000	3.43%	–	1,200,000	34,300	(5,808)	–	1,228,492
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	–	1,100,000	30,704	(3,988)	–	1,126,716
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public corporate bonds for professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,119,829	–	36,408	231	36,408	1,120,060
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 year	1,003,000	3.19%	–	1,003,588	28,710	57	–	1,032,355
China Railway SIYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020/28 July 2022	3 years	1,000,000	2.50%	716,736	300,000	22,986	–	25,000	1,014,722
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	900,000	23 March 2020/13 October 2022	3+2 years	900,000	3.28%	620,488	300,000	29,520	250	29,520	920,738
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	900,000	15 July 2022	3+2 years	900,000	3.40%	–	900,000	21,250	(3,072)	–	918,178
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	818,664	–	25,440	388	25,440	819,052
China Railway Construction Real Estate Group Co., Ltd. – 2022- fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 year	770,000	3.20%	–	770,000	18,667	(2,426)	–	786,241
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,058	–	20,700	169	20,700	615,227
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	–	500,000	16,958	(1,196)	–	515,762
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,741	–	16,000	241	16,000	511,982

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	–	500,000	8,933	(1,665)	–	507,268
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	400,000	12 October 2022	3+2 years	400,000	3.74%	–	400,000	4,363	(1,497)	–	402,866
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 year	320,000	3.68%	–	320,000	10,733	(2,277)	–	328,456
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.99%	–	300,000	8,978	(721)	–	308,257
China Railway Construction Real Estate Group Co., Ltd. 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	310,430	–	12,459	325	59,700	263,514
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	1,200,000	9 April 2019	3+2 years	1,200,000	3.19%	1,235,657	–	11,940	(112)	1,050,760	196,725
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	160,000	28 March 2022	3+2 years	160,000	3.70%	–	160,000	8,525	(698)	–	167,827
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 year	100,000	5.50%	99,792	–	4,898	2,687	4,898	102,479
CRCC (Beijing) Property Management Co., Ltd. – 2017 first issue of private placement assets-backed note	960,000	13 December 2017	6 year	960,000	6.90%	503,600	–	1,311	1,076	505,987	–
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of private placement Corporate bond (variety II)	1,500,000	10 January 2019	3+2 years	1,500,000	4.90%	1,564,531	–	6,125	2,920	1,573,576	–
China Railway 16th Bureau Group Co., Ltd. – 2019 private placement Corporate bond	1,000,000	30 October 2019	3+3+3+1 year	1,000,000	4.73%	1,007,883	–	39,419	–	1,047,302	–
China Railway Construction Real Estate Group Co., Ltd. – 2019 first phase of debt financing plan	654,000	5 December 2019	3 years	654,000	6.10%	654,000	–	28,122	–	682,122	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR002	300,000	16 April 2020	3 year	300,000	5.20%	301,427	-	5,157	1,195	307,779	-
Total	-	-	-	-	-	36,360,201	12,943,588	1,496,266	707,182	6,312,262	45,194,975
Less: Current portion of bonds payable	-	-	-	-	-	6,825,326	-	-	-	-	17,098,279
Non-current portion of bonds payable	-	-	-	-	-	29,534,875	-	-	-	-	28,096,696

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

Note 1: The Group's overseas subsidiary issued 5-year and 10-year US dollar bonds in the international market are guaranteed by the Company with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Note 2: The Group's overseas subsidiary issued 5-year Euro bonds in the international market are guaranteed by the Company with fixed interest rate, yearly interest payment and principal repayment maturity.

Besides the long term bonds mentioned above, others were general corporate bonds issued on Shanghai Stock Exchange, and unsecured medium-term Notes, non-public directional debt financing instruments issued in National Association of Financial Market Institutional Investors. The relevant long term bonds were with fixed interest rates, interest repayment based on scheduled repayment dates and principal repayment at maturity. For certain bonds, at the end of third year or the fifth year, issuer have right to adjust coupon rate and redeem, and investor have right to put back option.

39. Lease liabilities

RMB'000

Item	31 December 2023	31 December 2022
Lease liabilities	6,186,880	4,146,079
Less: Total current portion of lease liabilities (Note V. 35)	2,106,473	1,694,787
Total non-current portion of lease liabilities	4,080,407	2,451,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

RMB'000

Item	31 December 2023	31 December 2022
Retention payables and other long-term project payables	31,722,357	24,993,442
Payables for specific items	4,985,481	4,830,684
Special payables	210,597	69,923
Others	4,344,737	4,906,865
Total	41,263,172	34,800,914

41. Deferred income

2023:

RMB'000

Item	1 January 2023	Additions	Reductions	31 December 2023
Government grants related to assets	152,936	1,300	9,013	145,223
Government grants related to income	560,245	718,244	740,232	538,257
Others	342,840	1,001	14,728	329,113
Total	1,056,021	720,545	763,973	1,012,593

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Deferred income (Continued)

2022:

RMB'000

Item	1 January 2022	Additions	Reductions	31 December 2022
Government grants related to assets	208,505	2,000	57,569	152,936
Government grants related to income	353,665	877,603	671,023	560,245
Others	361,564	2,081	20,805	342,840
Total	923,734	881,684	749,397	1,056,021

As at 31 December 2023, projects related to governments grants are listed as follows:

RMB'000

Project	1 January 2023	Additions	Included in non- operating income/other income in the year	Other changes (Note)	31 December 2023	Related to assets/income
Enterprise Development and Support Fund	443,280	359,365	(408,242)	-	394,403	Related to assets/ income
Others	269,901	360,179	(339,677)	(1,326)	289,077	-
Total	713,181	719,544	(747,919)	(1,326)	683,480	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Deferred income (Continued)

As at 31 December 2022, projects related to governments grants are listed as follows:

RMB'000

Project	1 January 2022	Additions	Included in non- operating income/ other income in the year	Other changes (Note)	31 December 2022	Related to assets/ income
Enterprise Development and Support Fund	257,672	450,824	(260,216)	(5,000)	443,280	Related to assets/ income
Others	304,498	428,779	(452,476)	(10,900)	269,901	-
Total	562,170	879,603	(712,692)	(15,900)	713,181	-

Note: Government grants related to assets are used to offset against the carrying amount of relevant assets when relevant assets become ready for their intended use.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Share capital

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

2022:

RMB'000

Item	1 January 2022	Increase	Decrease	31 December 2022
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments

RMB'000

Item		31 December 2023	31 December 2022
2019 & 2020 renewable loans	<i>Note 1</i>	22,200,000	22,200,000
2022 renewable corporate bonds	<i>Note 2</i>	10,993,335	10,993,335
2021 renewable corporate bonds	<i>Note 3</i>	9,593,972	9,593,972
2023 renewable corporate bonds	<i>Note 4</i>	4,196,933	–
2019 renewable corporate bonds	<i>Note 5</i>	2,998,589	2,998,589
2023 medium-term notes Phase I	<i>Note 6</i>	2,995,466	–
2022 medium-term notes Phase I	<i>Note 7</i>	2,995,372	2,995,372
2021 CRCC medium-term notes	<i>Note 8</i>	1,994,120	1,994,120
2019 CRCC medium-term notes	<i>Note 9</i>	1,495,643	1,495,643
2020 renewable corporate bonds	<i>Note 10</i>	–	4,697,404
2020 medium-term notes Phase I	<i>Note 11</i>	–	2,991,242
Total		59,463,430	59,959,677

Note 1: In 2019 and 2020, the Company entered into renewable loans contracts with an aggregate principal amount of RMB35,600,000,000. Pursuant to the terms of these renewable loans contracts, the Company has the option to redeem the renewable loans at the expiration of 5 years or 7 years or 10 years since the investment principal transfer date, if no redemption requested at the time point mentioned above, the investment term of the relevant investment principal will be continued, the Company will have option to request for redemption before three months at the expiration date of 1 year or 3 years. The nominal interest rate of the renewable loans mentioned above in the first loan term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent loan terms is adjusted as the current prime interest rate plus initial spread plus 100 or 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the 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 restrictions as to the number of times the distribution can be deferred. The loans are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the loans did not satisfy the definition of financial liabilities, and recognised the renewable loans as other equity instruments. In 2022 and 2021, the Company redeemed part of the above renewable loans, the principal redeemed amounted to RMB13,400,000,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 2: On April 2022, July 2022, and December 2022, the Company issued renewable bonds respectively with an aggregate principal amount of RMB11,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 or 310 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the 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 restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB10,993,335,000, net of the relevant expenses of issuance of RMB6,665,000.

Note 3: On June 2021, November 2021, and December 2021, the Company issued renewable bonds respectively with an aggregate principal amount of RMB9,600,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the 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 restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB9,593,972,000, net of the relevant expenses of issuance of RMB6,028,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 4: On June 2023 and December 2023, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,200,000,000. Pursuant to the terms of the renewable bonds, for the phase-I renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points; for the phase-II renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 200 basis points. The maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the 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 restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,196,933,000, net of the relevant expenses of issuance of RMB3,067,000.

Note 5: On October 2019, November 2019, and December 2019, the Company issued renewable bonds respectively with an aggregate principal amount of RMB12,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the 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 restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB11,994,417,000, net of the relevant expenses of issuance of RMB5,583,000. In 2022, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB9,000,000,000. The differences between redeemed principal and the carrying amount of RMB4,172,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 6: On September 2023, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,466,000, net of the relevant expenses of issuance of RMB4,534,000.

Note 7: On October 2022, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third, the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,372,000, net of the relevant expenses of issuance of RMB4,628,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 8: On August 2021, the Company issued medium-term notes with an aggregate principal amount of RMB2,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,994,120,000, net of the relevant expenses of issuance of RMB5,880,000.

Note 9: On November 2019, the Company issued medium-term notes with an aggregate principal amount of RMB1,500,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,495,643,000, net of the relevant expenses of issuance of RMB4,357,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 10: On September 2020 and December 2020, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,700,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the 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 restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,697,404,000, net of the relevant expenses of issuance of RMB2,596,000. In 2023, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB4,700,000,000. The differences between redeemed principal and the carrying amount of RMB2,596,000 are included in capital reserve.

Note 11: On October 2020, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,991,242,000, net of the relevant expenses of issuance of RMB8,758,000. In 2023, the Company redeemed part of the above medium-term notes, the principal redeemed amounted to RMB3,000,000,000. The differences between redeemed principal and the carrying amount of RMB8,758,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Capital reserve

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Share premium	48,896,736	49,639	98,168	48,848,207
Relocation compensation granted by government	160,961	–	–	160,961
Others	(150,641)	–	11,354	(161,995)
Total	48,907,056	49,639	109,522	48,847,173

2022:

RMB'000

Item	1 January 2022	Increase	Decrease	31 December 2022
Share premium (<i>Note 1</i>)	44,848,140	4,048,790	194	48,896,736
Relocation compensation granted by government	160,961	–	–	160,961
Others	(122,516)	–	28,125	(150,641)
Total	44,886,585	4,048,790	28,319	48,907,056

Note 1: In 2022, the Company and its subsidiaries China Railway 14th Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 20th Bureau Group Co., Ltd. and China Railway Urban Construction Group Co., Ltd. (“the Target Companies”) entered into Capital Contribution Agreements and Investment Agreements with several third-party investors. Pursuant to the agreements, the third-party investors respectively made capital contributions to the Target Companies in cash. Upon completion of the capital contribution, the Company’s shareholding proportion of the Target Companies decreased from 100% to 79.02%, 80.30%, 70.41% and 71.69% respectively, but the Company will not lose actual control over the Target Companies. The capitals contributions made by the third-party investors amounted to RMB10,000,000,000. These transactions resulted in an increase of capital reserve amounting to RMB3,253,352,000 and an increase of non-controlling interests amounting to RMB6,746,648,000 in the consolidated financial statements of the Group for the year ended 31 December 2022.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position:

RMB'000

Item	1 January 2022	Increase/ (decrease)	Less: Other	Less: Other	1 January 2023	Increase/ (decrease)	Less: Other	Less: Other	31 December 2023
			comprehensive income carried forward to retained earnings	comprehensive income carried forward to profit or loss			comprehensive income carried forward to retained earnings	comprehensive income carried forward to profit or loss	
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	(160,250)	207,426	-	-	47,176	192,843	-	-	240,019
Changes in fair value of other debt investments	4,695	(10,657)	-	5,385	(11,347)	5,162	-	(16,495)	10,310
Effect of deferred tax from changes in fair value of other equity instrument investments	(1,174)	3,012	-	(1,346)	3,184	(1,290)	-	4,124	(2,230)
Changes in fair value of other equity instrument investments	990,827	(261,315)	4,012	-	725,500	(53,594)	57,749	-	614,157
Effect of deferred tax from changes in fair value of other equity instrument investments	(230,679)	51,789	-	-	(178,890)	11,756	-	-	(167,134)
Changes in fair value of receivables at FVTOCI	(3,548)	(5,732)	-	-	(9,280)	7,793	-	-	(1,487)
Effect of deferred tax from changes in fair value of receivables at FVTOCI	547	1,406	-	-	1,953	(2,335)	-	-	(382)
Exchange differences on translation of foreign operations	(1,886,349)	434,416	-	-	(1,451,933)	191,747	-	-	(1,260,186)
Others	9,439	(4,165)	(49,224)	-	54,498	(878)	154,181	-	(100,561)
Total	(1,276,492)	416,180	(45,212)	4,039	(819,139)	351,204	211,930	(12,371)	(667,494)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss:

2023:

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(91,554)	(11,756)	(41,838)	(37,960)
Others	(1,015)	(93)	(878)	(44)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	192,843	–	192,843	–
Changes in fair value of other debt investments	28,061	7,014	16,243	4,804
Changes in fair value of receivables at FVTOCI	10,145	2,335	5,458	2,352
Exchange differences on translation of foreign operations	234,545	–	191,747	42,798
Total	373,025	(2,500)	363,575	11,950

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss: (Continued)

2022:

	<i>RMB'000</i>			
Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(291,314)	(51,804)	(209,526)	(29,984)
Others	(5,404)	(1,162)	(4,165)	(77)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	207,426	–	207,426	–
Changes in fair value of other debt investments	(21,881)	(5,818)	(11,684)	(4,379)
Changes in fair value of receivables at FVTOCI	(7,850)	(1,406)	(4,326)	(2,118)
Exchange differences on translation of foreign operations	492,298	–	434,416	57,882
Total	373,275	(60,190)	412,141	21,324

46. Special reserve

In accordance with the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* issued by Ministry of Finance and State Administration of Work Safety (Cai Qi [2012] No. 16) on 14 February 2012, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects and utilised those expenses. The Ministry of Finance and Ministry of Emergency Management revised the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* (Cai Zi [2022] No. 136) on 21 November 2022, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects for construction projects which have completed the bidding and signed the contracts; and provided for the safety production expenses at 1.5%, 2.5% and 3% of the cost of construction projects for the remaining construction projects, and utilised the expenses. Further details are stated in Note III. 31.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Surplus reserve

2023:

RMB'000

Item	1 January 2023	Increase	31 December 2023
Statutory surplus reserve (<i>Note</i>)	6,789,771	–	6,789,771

2022:

RMB'000

Item	1 January 2022	Increase	31 December 2022
Statutory surplus reserve (<i>Note</i>)	6,789,771	–	6,789,771

Note: In accordance with the Company Law and the Company's articles of association, the Company appropriated 10% of the net profit to the surplus reserve, which is limited to 50% of the Company's registered capital. The accumulated amount of the statutory surplus reserve reached 50% of the Company's registered capital at the end of 2021, thus additional appropriation would not be needed.

The Company and certain of its subsidiaries are authorised to allocate the discretionary surplus reserve from profit after tax after the allocation of the statutory reserve. Upon the approval of the board, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Retained earnings

Item	RMB'000	
	2023	2022
Retained earnings at the end of the prior year	162,067,076	141,556,080
Changes in accounting policies (<i>Note III. 36</i>)	(85,944)	(124,646)
Retained earnings at the beginning of the year (restated)	161,981,132	141,431,434
Net profit attributable to owners of the Company	26,096,971	26,680,796
Less: Appropriation to statutory surplus reserve	–	–
Cash dividend declared for ordinary shares (<i>Note 1</i>)	3,802,272	3,340,567
Interest distributed to other equity instruments holders (<i>Note 2</i>)	2,547,999	2,745,319
Others	97,263	(45,212)
Retained earnings at the end of the year	181,825,095	161,981,132

Note 1: In accordance with the resolution at the 2022 annual general meeting of shareholders on 28 June 2023, the Company declared a cash dividend for the year ended 31 December 2022 of RMB0.28 per share (2022: RMB0.246 per share), which amounted to RMB3,802,272,000 (2022: RMB3,340,567,000) based on 13,579,541,500 ordinary shares in issue. The above dividends have been paid after the general meeting of shareholders.

Note 2: In 2023, the Company accrued interest of other equity instruments holders amounting to RMB2,547,999,000 (2022: RMB2,745,319,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Revenue and cost of sales

RMB'000

Item	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	1,129,072,328	1,012,853,036	1,087,343,373	979,667,617
Other operating revenue	8,921,158	6,830,046	8,969,494	6,080,057
Total	1,137,993,486	1,019,683,082	1,096,312,867	985,747,674

(1) Disaggregation of revenue by industry/segment is as follows:

RMB'000

Sector	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Construction operations	965,113,809	877,559,052	939,366,100	856,910,627
Real estate development operations	83,271,759	73,071,096	62,253,669	53,567,832
Manufacturing operations	19,200,261	13,801,858	21,747,067	16,260,661
Planning, design and consultancy operations	18,517,503	10,402,979	20,181,756	12,904,006
Other business operations	51,890,154	44,848,097	52,764,275	46,104,548
Total	1,137,993,486	1,019,683,082	1,096,312,867	985,747,674

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Revenue and cost of sales (Continued)

(2) Disaggregation of revenue by point in time of revenue recognition:

RMB'000

	Construction operations	Real estate development operations	Manufacturing operations	Planning, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
Over time	965,113,809	-	-	15,043,038	5,755,882	985,912,729
A point in time	-	83,082,164	18,392,124	3,474,465	45,077,853	150,026,606
Revenue arising from leases	-	189,595	808,137	-	1,056,419	2,054,151
Total	965,113,809	83,271,759	19,200,261	18,517,503	51,890,154	1,137,993,486

(3) The construction services provided by the Group are mainly identified as single performance obligation and met the criteria of performance obligation performed over time. As at 31 December 2023, for the construction services in progress, the transaction prices allocated to their unsatisfied (including partially unsatisfied) performance obligations are based on their performance progress over the relevant construction contract periods and would be recognised as revenue based on their performance progress in future construction contract periods.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Taxes and surcharges

	<i>RMB'000</i>	
Item	2023	2022
City maintenance and construction tax	909,365	825,479
Stamp duty	757,983	717,542
Property tax	344,722	314,673
Others	2,284,867	2,315,739
Total	4,296,937	4,173,433

51. Selling and distribution expenses

	<i>RMB'000</i>	
Item	2023	2022
Employee compensation costs	3,738,136	3,512,644
Advertising and publicity expenses	2,532,831	1,942,068
Others	1,106,904	1,187,675
Total	7,377,871	6,642,387

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. General and administrative expenses

Item	<i>RMB'000</i>	
	2023	2022
Employee compensation costs	16,903,494	16,176,527
Office, travelling and transportation expenses	1,339,171	941,349
Depreciation expenses of fixed assets	969,772	939,071
Others	4,253,881	3,816,098
Total	23,466,318	21,873,045

In 2023, the amount of total service fees of audit and other services included in above general and administrative expenses was RMB39,482,000.

53. Research and development expenses

Item	<i>RMB'000</i>	
	2023	2022
Employee compensation costs and material costs	26,725,454	25,003,936

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Finance costs

RMB'000

Item	2023	2022
Interest expenses	13,793,999	12,552,978
Less: Interest income	4,216,238	4,391,798
Less: Interest capitalised	6,334,909	6,409,795
Exchange gains	(837,118)	(303,150)
Bank charges and others	2,255,715	2,130,061
Total	4,661,449	3,578,296

The amount of capitalised interest had been included in the balances of construction in progress (Note V. 21), intangible assets (Note V. 23) and properties under development (Note V. 8 (1)).

55. Impairment losses on assets

RMB'000

Item	2023	2022
Losses from impairment of contract assets	(1,611,709)	(1,466,112)
Losses from decline in value of inventories	(1,515,614)	(1,279,540)
Losses from impairment of goodwill	(113,242)	(203,654)
Losses from impairment of intangible assets	(112,459)	(76,923)
Others	(108,163)	(24,685)
Total	(3,461,187)	(3,050,914)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Impairment of credit losses

	<i>RMB'000</i>	
Item	2023	2022
Losses from impairment of receivables	(6,471,159)	(4,926,733)
Losses from impairment of loans to customers	(8,885)	38,909
Total	(6,480,044)	(4,887,824)

57. Other income

	<i>RMB'000</i>	
Item	2023	2022
Government grants relating to daily operations	795,995	795,003
Others	158,639	303,732
Total	954,634	1,098,735

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Investment losses

	<i>RMB'000</i>	
Item	2023	2022
Share of profits/(losses) of long-term equity investments under the equity method	564,987	(1,129,198)
Investment income from disposal of long-term equity investments	199,416	931,593
Gains from the re-measurement at fair values of remaining equity investments when losing controls of subsidiaries	–	673,461
Gains from the re-measurement at fair value of original equity when controls of subsidiaries commence	101	172,505
Losses from derecognition of financial assets measured at amortised cost	(5,563,839)	(5,911,105)
Investment income from holding other equity instruments	116,607	99,537
Investment income from holding and disposal of held-for-trading financial assets and other financial assets	243,559	140,316
Investment income from holding debt investment	194,554	365,935
Others	14,650	(8,979)
Total	(4,229,965)	(4,665,935)

59. Losses on fair value changes

	<i>RMB'000</i>	
Item	2023	2022
Financial assets and liabilities at fair value through profit or loss	(643,564)	(462,611)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Non-operating income

RMB'000

Item	2023	2022	Non-recurring profit or loss of the year
Government grants	87,370	136,512	87,370
Approved unpayable balances	268,931	312,925	268,931
Gains on compensation, penalties and fines	298,632	393,931	298,632
Others	325,818	339,825	325,818
Total	980,751	1,183,193	980,751

Government grants credited to profit or loss for the period are listed as follows:

RMB'000

Nature	2023	2022	Related to assets/income
Enterprise development funds	429,598	297,850	Related to income
Refund of taxes	211,557	289,732	Related to income
Others	242,210	343,933	Related to assets/income
Total	883,365	931,515	–
Including: Other income	795,995	795,003	–
Non-operating income	87,370	136,512	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Non-operating expenses

RMB'000

Item	2023	2022	Non-recurring profit or loss of the year
Loss on compensation, penalties and fines	482,924	481,553	482,924
Donations	49,001	68,370	49,001
Others	214,383	210,392	214,383
Total	746,308	760,315	746,308

62. Costs and expenses classified by nature

Supplementary information of the Group's costs of sales, selling and distribution expenses, general and administrative expenses, research and development expenses categorised by nature is listed as follows:

RMB'000

Item	2023	2022
Cost of services rendered	821,241,816	799,925,231
Cost of goods sold	123,046,529	111,618,283
Employee benefits (<i>Note V. 32</i>)	82,397,577	80,071,402
Depreciation expenses on fixed assets (<i>Note V. 20</i>)	17,160,631	16,584,947
Depreciation expenses on right-of-use assets (<i>Note V. 22</i>)	2,221,992	2,136,283
Amortisation expenses on intangible assets (<i>Note V. 23</i>)	1,595,989	1,518,926
Depreciation expenses on investment properties (<i>Note V. 19</i>)	327,347	280,835

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses

Item	<i>RMB'000</i>	
	2023	2022 (restated)
Current tax expenses – Mainland China	8,102,851	7,106,066
Current tax expenses – Others	216,404	148,998
Deferred tax expenses	(1,819,832)	(1,224,892)
Total	6,499,423	6,030,172

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses (Continued)

A reconciliation of the income tax expense applicable to profit before tax is listed as follows:

Item	2023	2022 (restated)
Profit before tax	38,828,152	37,824,462
Income tax at the statutory income tax rate of 25%	9,707,038	9,456,116
Tax effect of preferential tax rates for some subsidiaries	(2,261,826)	(2,148,745)
Tax effect of share of profits and losses of joint ventures and associates	(141,247)	(179,075)
Effect of non-taxable income	(247,275)	(272,614)
Effect of non-deductible expenses	346,636	462,703
Effect of non-utilisation of previously recognised deductible tax losses	(413,117)	(191,002)
Effect of utilisation of deductible temporary differences previously not recognised	(182,790)	(431,732)
Tax preference for qualifying research and development expenses	(1,824,195)	(1,780,466)
Effects of deductible losses as deferred tax assets not recognised in the current year	1,553,645	1,297,380
Deductible temporary differences not recognised as deferred tax assets	775,680	487,568
Adjustments in respect of current income tax of previous years	(30,022)	102,585
Interest on perpetual bonds deductible before tax	(765,238)	(683,666)
Others	(17,866)	(88,880)
Income tax expense at the Group's effective tax rate	6,499,423	6,030,172

The income tax of the Group which shall be paid in Chinese mainland is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other regions is calculated at the statutory tax rate according to existing laws, interpretations and practices of the country or jurisdiction in which the Group operates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Earnings per share

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the year.

Item	RMB'000	
	2023	2022 (restated)
Earnings		
Net profit attributable to shareholders of the Company	26,096,971	26,680,796
Including: profit or loss from continuing operations	26,096,971	26,680,796
Less: attributable to holder of other equity instruments (Note V. 48)	2,547,999	2,745,319
Net profit attributable to ordinary shareholders	23,548,972	23,935,477
Shares		
Number of the outstanding ordinary shares of the Company	13,579,541,500	13,579,541,500
Basic earnings per share (RMB/share)	1.73	1.76
Diluted earnings per share (RMB/share)	1.73	1.76

65. Notes to items in the statement of cash flows

Item	RMB'000	
	2023	2022
(1) Cash received from other operating activities:		
Income from sales of raw materials	2,857,022	3,630,403
Recovery of loans for cooperative development project	3,181,204	1,234,360
Security deposit and cash pledged	2,547,809	5,176,806
Others	16,535,524	15,326,840
Total	25,121,559	25,368,409

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to items in the statement of cash flows (Continued)

<i>RMB'000</i>		
Item	2023	2022
(2) Cash paid for other operating activities:		
Advertising and publicity expenses	2,532,831	1,942,068
Office and travelling expenses	1,801,488	1,491,677
Repair and maintenance costs	491,775	432,414
Others	12,504,205	17,118,385
Total	17,330,299	20,984,544

<i>RMB'000</i>		
Item	2023	2022
(3) Cash received from other investment activities:		
Recovery of financing projects amounts	1,676,184	3,070,338
Net cash received from acquisitions of subsidiaries (<i>Note V. 66(2)</i>)	227,374	849,379
Total	1,903,558	3,919,717

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to items in the statement of cash flows (Continued)

RMB'000

Item	2023	2022
(4) Cash paid for other financing activities:		
Cash paid from redemption of other equity instruments	7,700,000	17,300,000
Cash paid for lease liabilities	2,490,489	2,415,833
Cash paid from acquisition of non-controlling interests	370,788	56,081
Others	379,931	–
Total	10,941,208	19,771,914

Changes in various liabilities arising from financing activities are as follows

RMB'000

Item	1 January 2023	Increase		Decrease		31 December 2023
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term loans	51,367,562	191,451,237	8,187,445	169,166,486	–	81,839,758
Long-term loans (including current portion of long-term loans)	153,547,310	99,494,963	14,722,670	69,937,946	–	197,826,997
Bonds payable (including current portion of bonds payable)	45,194,975	8,635,000	1,750,192	12,374,940	–	43,205,227
Lease liabilities (including current portion of lease liabilities)	4,146,079	–	4,801,812	2,490,489	270,522	6,186,880
Long-term payables (relating to financing)	2,039,594	1,077,783	22,878	379,931	–	2,760,324
Other payables (relating to financing)	2,494,948	1,398,992	–	–	–	3,893,940
Other payables (dividends payable)	1,064,805	–	10,138,353	10,065,555	–	1,137,603
Other current liabilities (short-term commercial paper)	419,247	6,000,000	35,692	6,454,939	–	–
Total	260,274,520	308,057,975	39,659,042	270,870,286	270,522	336,850,729

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to items in the statement of cash flows (Continued)

Significant activities and financial impacts that do not involve cash inflows and outflows in the current period but affect the financial position of the Company or may affect the cash flows of the Company in the future:

	<i>RMB'000</i>	
Item	2023	2022
Increase in right-of-use assets	4,567,234	2,434,172
Total	4,567,234	2,434,172

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the statement of cash flows

	2023	2022 (restated)
<i>RMB'000</i>		
Reconciliation of net profit to cash flows generated from operating activities:		
Net profit	32,328,729	31,794,290
Add: Impairment losses on assets	3,461,187	3,050,914
Impairment of credit losses	6,480,044	4,887,824
Depreciation of fixed assets	17,160,631	16,584,947
Depreciation of right-of-use assets	2,221,992	2,136,283
Amortisation of intangible assets	1,595,989	1,518,926
Amortisation of investment properties	327,347	280,835
Amortisation of long-term prepayments	448,130	273,809
Gains from retirement and disposal of fixed assets, intangible assets and other long-term assets	(602,843)	(54,748)
Losses on fair value changes	643,564	462,611
Finance costs	5,847,661	4,316,376
Investment income	(1,319,224)	(1,303,435)
Increase in deferred tax assets	(2,091,453)	(1,375,155)
Increase in deferred tax liabilities	271,621	144,960
Increase in inventories	(9,339,880)	(21,544,050)
Increase in contract assets	(38,683,930)	(58,994,531)
Increase in operating receivables	(46,233,193)	(3,967,113)
Increase in operating payables	47,571,283	78,293,239
Decrease/(increase) in the deposits with the central bank	324,393	(371,030)
Net cash flows generated from operating activities	20,412,048	56,134,952

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the consolidated statement of cash flows (Continued)

(1) Supplementary information to the statement of cash flows (Continued)

Net changes in cash and cash equivalents:

	<i>RMB'000</i>	
Item	2023	2022
Cash at the end of the year	150,866,988	140,774,045
Less: Opening balance of cash	140,774,045	102,421,626
Add: Closing balance of cash equivalents	1,770,789	3,741,447
Less: Opening balance of cash equivalents	3,741,447	7,320,235
Net increase in cash and cash equivalents	8,122,285	34,773,631

(2) Net cash received from acquisition of subsidiaries this year

	<i>RMB'000</i>
Item	31 December 2023
Cash and cash equivalents held by subsidiaries when control commences	239,293
Less: Cash and cash equivalents paid to acquire subsidiaries this year	11,919
Net cash received from acquisition of subsidiaries	227,374

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the consolidated statement of cash flows (continued)

- (3) Net cash received from disposal of subsidiaries this year

RMB'000

Item	31 December 2023
Cash and cash equivalents received from disposal of subsidiaries this year	16,483
Less: Cash and cash equivalents held by subsidiaries when control ceases	—
Net cash received from disposal of subsidiaries	16,483

- (4) Cash and cash equivalents

RMB'000

Item	31 December 2023	31 December 2022
Cash	150,866,988	140,774,045
Including: Cash on hand	66,019	58,623
Cash with banks/financial institutions without restriction	150,800,969	140,715,422
Cash equivalents	1,770,789	3,741,447
Closing balance of cash and cash equivalents	152,637,777	144,515,492

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Assets with title restrictions

RMB'000

Item	31 December 2023	31 December 2022	Reason
Inventories	45,687,542	59,933,128	Mortgaged for loans
Intangible assets	44,838,636	43,881,171	Pledged for loans/ Mortgaged for loans
Other non-current assets	14,856,837	14,937,347	Pledged for loans
Cash and bank balances	13,060,657	13,480,644	Note
Bills receivable	—	23,850	Pledged for loans
Construction in progress	3,030,237	2,868,791	Mortgaged for loans
Trade receivables	9,619,878	1,757,880	Pledged for loans
Fixed assets	2,955,270	2,636,141	Mortgaged for loans
Long-term receivables	5,435,799	1,177,072	Pledged for loans
Total	139,484,856	140,696,024	—

Note: As at 31 December 2023, the Group held frozen deposits of RMB4,922,015,000 (31 December 2022: RMB3,789,661,000). The residual amount of RMB3,679,644,000 (31 December 2022: RMB4,907,592,000) was comprised of several kinds of deposits. CRCC Finance Company Limited placed RMB4,458,998,000 (31 December 2022: RMB4,783,391,000) in the central bank as statutory reserves.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Foreign currency monetary items

31 December 2023:

Item	Closing balance of foreign currencies (‘000)	Exchange rate	Closing balance in RMB
			<i>RMB'000</i>
Cash and bank balances			5,823,599
Including: U.S. Dollar	639,099	7.0827	4,526,543
Euro	72,964	7.8592	573,442
Others			723,614
Trade receivables			2,596,994
Including: U.S. Dollar	274,810	7.0827	1,946,395
Others			650,599
Other receivables			103,299
Including: U.S. Dollar	4,208	7.0827	29,801
Others			73,498
Trade payables			1,039,573
Including: U.S. Dollar	37,135	7.0827	263,015
Others			776,558
Other payables			91,212
Including: U.S. Dollar	4,438	7.0827	31,432
Others			59,780
Short-term loans			3,556,548
Including: Euro	352,500	7.8592	2,770,368
U.S. Dollar	111,000	7.0827	786,180
Long-term loans(Including long-term loans due within one year)			1,415,370
Including: U.S. Dollar	100,055	7.0827	708,658
Euro	89,922	7.8592	706,712
Bonds payable (including current portion of bonds payable)			2,365,720
Including: Euro	301,013	7.8592	2,365,720

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Foreign currency monetary items (Continued)

31 December 2023: (Continued)

Note: The Group's main operating location is Mainland China and overseas market is spread in over 100 countries and region. There is no individually material foreign operations, and the foreign operations determined the functional currency according to the currency of the principal economic environment in which they operate. The Company, the subsidiaries and the foreign operations determined the foreign currency monetary items mentioned above in accordance with their functional currencies respectively.

VI. CHANGES OF CONSOLIDATION SCOPE

1. Business combinations not involving enterprises under common control

In 2023, the Group acquired several entities through business combination not under common control, including Jiangsu Yancheng Tietou Construction Development Co., Ltd. and Xi'an CRCC Jingshang Real Estate Development Co., Ltd. etc. and so they were included in the consolidation scope of the Group. The individual amount of these subsidiaries' assets, liabilities, operating income etc. was not material at the acquisition date. Upon the completion of transaction, the Group's total assets increased of RMB9,722,253,000 and the Group's total liabilities increased of RMB8,405,635,000.

2. Disposal of subsidiaries

In 2023, the entities that are no longer included in the consolidation scope due to disposal of subsidiaries or other reasons are immaterial and therefore are not listed here.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

(1) Particulars of the principal subsidiaries of the Company are listed as follows:

Subsidiaries acquired through establishment or investment

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Civil Engineering Construction Corporation	Beijing	Beijing	Construction	3,000,000	100.00	-
China Railway 11th Bureau Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction	6,162,382	81.62	-
China Railway 12th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	5,060,677	100.00	-
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,200,000	100.00	-
China Railway 14th Bureau Group Co., Ltd.	Jinan, Shandong	Jinan, Shandong	Construction	3,391,534	79.02	-
China Railway 15th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	3,000,000	100.00	-
China Railway 16th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	4,400,000	100.00	-
China Railway 17th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	3,021,226	100.00	-
China Railway 18th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,523,404	80.30	-
China Railway 19th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	5,080,000	100.00	-
China Railway 20th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	3,385,831	70.41	-
China Railway 21st Bureau Group Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Construction	2,038,000	100.00	-
China Railway 22nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	2,000,000	100.00	-
China Railway 23rd Bureau Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Construction	2,000,000	100.00	-
China Railway 24th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	2,000,000	100.00	-
China Railway 25th Bureau Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction	2,000,000	100.00	-
China Railway First Survey and Design Institute Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Planning, design and consultancy	1,030,000	100.00	-
China Railway SIYUAN Survey and Design Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Planning, design and consultancy	1,052,500	100.00	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(1) Particulars of the principal subsidiaries of the Company are listed as follows: (Continued)

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Railway Construction Group Co., Ltd.	Beijing	Beijing	Construction	3,502,971	85.64	-
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	3,800,000	100.00	-
China Railway Material Group Co., Ltd.	Beijing	Beijing	Purchase and sales of goods and materials	3,000,000	100.00	-
CRCC High-Tech Equipment Corporation Limited	Kunming, Yunnan	Kunming, Yunnan	Manufacturing operations	1,519,884	63.70	1.30
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development and operation	7,000,000	100.00	-
China Railway Construction Heavy Industry Corporation Limited	Changsha, Hunan	Changsha, Hunan	Manufacturing operations	5,333,497	71.93	0.36
China Railway Construction Investment Group Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Project investment, Construction	12,067,086	87.34	-
CRCC Finance Company Limited	Beijing	Beijing	Financial Services	9,000,000	94.00	-
China Railway Construction Corporation (International) Limited	Beijing	Beijing	Construction	3,012,500	100.00	-
CRCC Capital Holdings Group Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Financial Services	9,000,000	100.00	-
China Railway Urban Construction Group Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction	2,789,839	71.69	-
CRCC Kunlun Investment Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Project investment, Construction	5,087,166	70.77	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:

31 December 2023:

RMB'000

Subsidiary	Shareholding proportion (%)	Net profit or loss attributable to non-controlling interests	Dividends distribute to non-controlling shareholders	Accumulated balances of non-controlling interests at the reporting date
China Railway Construction Investment Group Co., Ltd. (Note)	12.66	958,279	582,426	18,601,154
CRCC Kunlun Investment Group Co., Ltd.	29.23	840,722	432,331	8,124,607
China Railway 14th Bureau Group Co., Ltd.	20.98	344,823	169,855	6,346,422
China Railway 18th Bureau Group Co., Ltd.	19.70	352,101	162,111	4,698,846
China Railway Construction Heavy Industry Co., Ltd.	27.71	442,033	153,708	4,603,083

Note: The mentioned above subsidiaries issued financial instruments, such as outstanding renewable corporate bonds and medium-term notes, which are recognised in other equity instruments and presented under the line item of “non-controlling interests” in the consolidated balance sheet of the Group. The shareholding proportion of minority shareholders of these subsidiaries represents the proportion of equity interests held by minority shareholders other than holders of other equity instruments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (Continued)

RMB'000

Subsidiary	31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	27,466,494	145,595,839	173,062,333	57,446,884	75,721,101	133,167,985
CRCC Kunlun Investment Group Co., Ltd.	26,720,774	59,673,231	86,394,005	46,125,857	15,070,541	61,196,398
China Railway 14th Bureau Group Co., Ltd.	60,527,532	33,020,417	93,547,949	72,369,906	5,124,224	77,494,130
China Railway 18th Bureau Group Co., Ltd.	40,319,471	20,263,047	60,582,518	42,225,036	5,714,936	47,939,972
China Railway Construction Heavy Industry Co., Ltd.	14,897,761	10,543,232	25,440,993	7,750,542	1,135,651	8,886,193

RMB'000

Subsidiary	31 December 2022					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	30,479,049	127,887,909	158,366,958	61,609,926	60,050,356	121,660,282
CRCC Kunlun Investment Group Co., Ltd.	18,758,259	48,592,712	67,350,971	34,063,828	11,539,857	45,603,685
China Railway 14th Bureau Group Co., Ltd.	54,147,623	26,384,402	80,532,025	61,380,500	3,759,952	65,140,452
China Railway 18th Bureau Group Co., Ltd.	37,829,620	16,217,593	54,047,213	39,351,363	3,060,921	42,412,284
China Railway Construction Heavy Industry Co., Ltd.	15,101,461	8,685,186	23,786,647	6,977,417	1,301,978	8,279,395

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (Continued)

RMB'000

Subsidiary	2023			Net cash flows generated from operating activities
	Revenue	Net profit	Total comprehensive income	
China Railway Construction Investment Group Co., Ltd.	53,271,917	3,064,906	3,109,388	3,514,471
CRCC Kunlun Investment Group Co., Ltd.	58,465,857	3,579,939	3,586,095	6,983,890
China Railway 14th Bureau Group Co., Ltd.	83,522,921	1,518,340	1,518,340	3,417,169
China Railway 18th Bureau Group Co., Ltd.	73,377,081	1,479,145	1,487,267	1,739,152
China Railway Construction Heavy Industry Co., Ltd.	10,027,467	1,593,863	1,602,232	703,533

RMB'000

Subsidiary	2022			Net cash flows generated from operating activities
	Revenue	Net profit	Total comprehensive income	
China Railway Construction Investment Group Co., Ltd.	51,515,377	2,944,085	2,908,289	3,230,208
CRCC Kunlun Investment Group Co., Ltd.	61,015,860	3,374,640	3,374,640	14,317,213
China Railway 14th Bureau Group Co., Ltd.	84,782,930	1,152,743	1,152,774	6,188,663
China Railway 18th Bureau Group Co., Ltd.	71,307,874	1,213,318	1,269,601	1,177,324
China Railway Construction Heavy Industry Co., Ltd.	10,101,548	1,844,229	1,836,859	1,070,722

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

- (3) As at 31 December 2023, the information of financial instruments involved in equity, such as the renewable corporate bonds, medium-term notes publicly and perpetual bonds issued by the several subsidiaries, is listed as follows:

Subsidiary	Amount
China Railway Construction Investment Group Co., Ltd.	9,092,100
China Railway Construction Treasury Management(Hong Kong) Co., Ltd	6,585,245
China Railway 11th Bureau Group Co., Ltd.	2,496,500
China Railway SIYUAN Survey and Design Group Co., Ltd.	399,790

As at 31 December 2023, the information of financial liabilities, such as corporate bonds and medium term notes publicly issued by several subsidiaries is detailed in Notes V. 38.

2. Equity in joint ventures and associates

Principal joint ventures and associates

Name of principal joint ventures and associates	Principal place of business	Place of registration	Principal activities	Shareholding proportion %		Measurement of joint ventures and associates
				Direct	Indirect	
Sichuan Chengmian Cangba Expressway Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Highway Project Construction & Management	39.5	–	Equity method
Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Investment in Rail Transit Construction	54.4	–	Equity method
CRCC Financial Leasing Co., Ltd.	Tianjin	Tianjin	Finance lease	50	–	Equity method
Hangqu Railway Co., Ltd.	Zhejiang, Quzhou	Zhejiang, Quzhou	Railway Project Investment & Management	46	–	Equity method

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

Major financial information of principal joint ventures

RMB'000

	31 December 2023/For the year ended 31 December 2023		31 December 2022/For the year ended 31 December 2022	
	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.
Current assets	3,251,815	4,980,066	2,277,703	3,144,726
Including: Cash and cash equivalents	654,972	947,193	871,644	40,762
Non-current assets	42,210,877	18,654,809	31,042,222	19,806,135
Total assets	45,462,692	23,634,875	33,319,925	22,950,861
Current liabilities	1,111,391	3,621,965	606,260	4,506,116
Non-current liabilities	33,964,750	13,161,977	24,886,750	12,928,610
Total liabilities	35,076,141	16,783,942	25,493,010	17,434,726
Non-controlling interests	-	-	-	-
Total equity attributable to owners of the company	10,386,551	6,850,933	7,826,915	5,516,135
The net assets multiplied by the shareholding proportion	4,102,688	3,726,908	3,091,631	3,000,777
Adjustment event				
- Others	(10)	178,680	131,282	307,354
Carrying amount of investments in the joint ventures attributable to the Group	4,102,678	3,905,588	3,222,913	3,308,131
Revenue	120	337,764	26	217,918
Finance costs	(20)	(312,048)	-	(256,848)
Income tax expenses	314	(32,830)	6	378
Net profit	(206)	140,279	17	316,155
Other comprehensive income	-	-	-	-
Total comprehensive income	(206)	140,279	17	316,155
Dividends from joint ventures for the year	-	132,455	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

Major financial information of principal joint ventures (Continued)

RMB'000

	31 December 2023/For the year ended 31 December 2023		31 December 2022/For the year ended 31 December 2022	
	CRCC Financial Leasing Co., Ltd.	Hangqu Railway Co., Ltd.	CRCC Financial Leasing Co., Ltd.	Hangqu Railway Co., Ltd.
Total assets	43,017,472	16,353,581	45,066,406	13,140,929
Total liabilities	36,192,424	10,929,928	38,655,347	8,501,276
Non-controlling interests	-	-	-	-
Total equity attributable to owners of the company	6,825,048	5,423,653	6,411,059	4,639,653
The net assets multiplied by the shareholding proportion	3,412,524	2,494,880	3,205,530	2,134,240
Adjustment event				
- Unrealised profits of intra-group transactions	(251,416)	-	(259,870)	-
- Others	2,404	93,983	(1,894)	92,623
Carrying amount of investments in the associates attributable to the Group	3,163,512	2,588,863	2,943,766	2,226,863
Revenue	3,568,309	8,130	3,955,521	-
Finance costs	1,805	-	1,840	-
Income tax expenses	188,359	-	190,391	-
Net profit	422,584	-	540,319	-
Other comprehensive income	-	-	-	-
Total comprehensive income	422,584	-	540,319	-
Dividends from associates for the year	-	-	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

The aggregate financial information of the individually insignificant joint ventures:

Item	<i>RMB'000</i>	
	31 December 2023	31 December 2022
Shares of net profit of the joint ventures attributable to the Group	(902,607)	(470,416)
Shares of other comprehensive income of the associates attributable to the Group	90,678	514
Shares of total comprehensive income of the joint ventures attributable to the Group	(811,929)	(469,902)
Carrying amount of investments in the joint ventures attributable to the Group	56,903,672	49,251,346

The aggregate financial information of the individually insignificant associates:

Item	<i>RMB'000</i>	
	31 December 2023	31 December 2022
Shares of net profit of the associates attributable to the Group	1,180,073	(1,100,326)
Shares of other comprehensive income of the associates attributable to the Group	102,165	206,912
Shares of total comprehensive income of the associates attributable to the Group	1,282,238	(893,414)
Carrying amount of investments in the associates attributable to the Group	78,614,044	67,032,219

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

3. Equity in structured entities that have not been merged into the consolidated financial statements

As at 31 December 2023, the scale of major structured entities that the Group participated in and that were not included in the consolidated financial statements totalled approximately RMB46,245,930,000 (31 December 2022: RMB29,555,239,000). Among them, the subscription amount of the Group was approximately RMB14,284,056,000 (31 December 2022: RMB10,421,096,000) and that of other investors was approximately RMB31,961,874,000 (31 December 2022: RMB19,134,143,000). The Group has no control over this category of structured entity, so the structured entities have not been merged into the consolidated financial statements. As at 31 December 2023, the actual subscription amount paid by the Group was approximately RMB6,181,649,000 (31 December 2022: RMB3,597,632,000), which was accounted in other non-current financial assets. The Group's largest risk exposure in these structured entities is the amount of capital contributed by the Group as of the balance sheet date. The Group has no obligation or intention to provide financial support to the structured entities.

As at 31 December 2023, the Group's cumulative issuance amount of asset-backed securities was RMB89,034,000,000 (31 December 2022: RMB76,704,000,000). The subordinated tranche of the asset-backed securities was RMB4,449,800,000 (31 December 2022: RMB3,551,800,000). On 31 December 2023, the subordinated tranche of asset-backed securities held by the Group was RMB1,036,650,000 (31 December 2022: RMB811,500,000), of which RMB230,850,000 (31 December 2022: RMB344,000,000) was accounted in held-for-trading financial assets and RMB805,800,000 (31 December 2022: RMB467,500,000) was accounted in other non-current financial assets. As for asset-backed securities issued by the Group, it promises to, upon issuance of some asset-backed securities, provide paid temporary liquidity support for the principal of priority asset-backed securities and the difference between the expected returns and the distributable funds for each period of the asset-backed securities special plan, but the Group did not provide such support for some asset-backed securities upon their issuance. As at 31 December 2023, asset-backed securities had not actually triggered this liquidity support, and the Group had never provided such liquidity support. The Group assesses that the possibility of triggering liquidity support in the future is minimal.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

1. Financial instruments by category

The carrying amount of each category of financial instruments at the balance sheet date are as follows:

31 December 2023:

Financial assets

RMB'000

Item	Classified as financial assets at fair value through other comprehensive income	Designated as financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Total
Bills receivable	-	-	-	3,229,041	3,229,041
Trade receivables	-	-	-	155,809,067	155,809,067
Receivables at FVTOCI	2,723,520	-	-	-	2,723,520
Loans and advances to customers	-	-	-	1,686,305	1,686,305
Other receivables (excluding petty cash)	-	-	-	56,390,029	56,390,029
Other current assets	-	-	-	3,025,640	3,025,640
Long-term receivables	-	-	-	109,859,078	109,859,078
Cash and bank balances	-	-	-	166,957,837	166,957,837
Held-for-trading financial assets	-	-	1,629,785	-	1,629,785
Debt investments	-	-	-	6,016,176	6,016,176
Other debt investments	5,115,845	-	-	-	5,115,845
Other equity instrument investments	-	12,575,571	-	-	12,575,571
Other non-current financial assets	-	-	10,287,149	-	10,287,149
Current portion of non-current assets	6,963,058	-	-	15,035,191	21,998,249
Total	14,802,423	12,575,571	11,916,934	518,008,364	557,303,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2023: (continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	81,839,758	81,839,758
Due to customers	1,356,691	1,356,691
Bills payable	53,461,242	53,461,242
Trade payables	491,567,214	491,567,214
Other payables	106,058,137	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	52,111,844	52,111,844
Other current liabilities (continuing involvement in liabilities)	230,850	230,850
Long-term loans	165,621,478	165,621,478
Bonds payable	31,031,549	31,031,549
Long-term payables (excluding special payables)	41,052,575	41,052,575
Other non-current liabilities (continuing involvement in liabilities)	798,800	798,800
Total	1,025,130,138	1,025,130,138

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2022:

Financial assets

RMB'000

Item	Classified as financial assets at fair value through other comprehensive income	Designated as financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Total
Bills receivable	-	-	-	8,495,031	8,495,031
Trade receivables	-	-	-	141,229,619	141,229,619
Receivables at FVTOCI	3,321,965	-	-	-	3,321,965
Loans and advances to customers	-	-	-	1,445,190	1,445,190
Other receivables (excluding petty cash)	-	-	-	65,683,626	65,683,626
Other current assets	-	-	-	17,077	17,077
Long-term receivables	-	-	-	80,554,812	80,554,812
Cash and bank balances	-	-	-	158,424,810	158,424,810
Held-for-trading financial assets	-	-	961,298	-	961,298
Debt investments	-	-	-	9,076,297	9,076,297
Other debt investments	4,934,663	-	-	-	4,934,663
Other equity instrument investments	-	11,940,051	-	-	11,940,051
Other non-current financial assets	-	-	8,387,687	-	8,387,687
Current portion of non-current assets	5,959,529	-	-	11,115,628	17,075,157
Total	14,216,157	11,940,051	9,348,985	476,042,090	511,547,283

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2022: (Continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	51,367,562	51,367,562
Due to customers	3,168,603	3,168,603
Bills payable	89,607,342	89,607,342
Trade payables	425,568,938	425,568,938
Other payables	100,528,887	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	43,599,876	43,599,876
Other current liabilities (including short-term commercial paper and continuing involvement in liabilities)	760,247	760,247
Long-term loans	133,415,428	133,415,428
Bonds payable	28,096,696	28,096,696
Long-term payables (excluding special payables)	34,730,991	34,730,991
Other non-current liabilities (continuing involvement in liabilities)	466,500	466,500
Total	911,311,070	911,311,070

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. Transfer of financial assets

Transferred financial assets that are derecognised in their entirety but continuously involved

As at 31 December 2023, the Group had endorsed and discounted bank acceptance bills which are not yet due amounting to RMB2,272,750,000 (31 December 2022: RMB4,738,314,000). As at 31 December 2023, for bills within 12 months, if acceptance banks dishonoured the bills, endorsees shall have the right to turn to the Group for recourse according to the Law of Bill. The Group considered the risks and rewards of the bills had been transferred. Therefore, the Group had derecognised the related bills receivable and trade payables that had been settled by the bills. The undiscounted cash flows and maximum losses of continuing involvement and repurchase equalled to the book value of the bills. The Group considered the fair value of continuing involvement to be not significant.

In 2023, the Group did not recognise any profit or loss at the date of transfer. The Group had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognised. The endorsement and discount happens evenly throughout the year.

Transferred financial assets that are not derecognised in their entirety

In 2023, the Group sold underlying assets to the assets-backed specific plan which set up by the financial institute who are also the managers of the assets-backed specific plan. The managers represented the assets-backed specific plan to issue senior assets-backed securities and subordinate assets-backed securities to investors. The Group holds some portion of the subordinate assets-backed securities. Meanwhile, the Group acts as a receivables service provider to provide management services associated with receivables and their collection, contracts revision and other services to the assets-backed specific plan.

As the Group has restriction in the ability of guiding the operations of assets-backed specific plan, resulting in the degree which the Group using substantial rights to influence to obtain variable returns limited, the Group does not need to consolidate the assets-backed specific plan. Meanwhile, the Group has neither transferred nor retained substantially all the risks and rewards of the underlying assets ownership, and it retained control of the underlying assets transferred, the Group recognised the asset and associated liability to the extent of its continuing involvement in the transferred asset.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks

The Group's major financial instruments include loans, due to customers, bonds, and other equity instruments, etc. The purpose of these financial instruments is to support daily operations of the Group. The Group also has various financial assets and liabilities arising from operation, such as cash and bank balances, bills receivable, trade receivables, receivables at FVTOCI, other receivables, long-term receivables, bills payable, trade payables, other payables and long-term payables.

The major risks from the Group's financial instruments are credit risk, liquidity risk and market risk. The management will hold meetings at least four times a year to analyse and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from management. Generally, the Group introduces conservative strategies in risk management. As these risks for the Group are kept at a low level, the Group does not use any derivative instrument and other instruments to hedge these risks in the whole year.

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the balances and collection of bills receivable, trade receivables, contract assets and long-term receivables are monitored on an ongoing basis to ensure that the Group's exposure to credit loss is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group. Besides, the Group reviews collections of financial assets at each balance sheet date to ensure sufficient provisions for estimated credit loss have been made for relevant financial assets.

Other financial assets of the Group include cash and bank balances, receivables at FVTOCI, other receivables, debt investments, other debt investments and loans and advances to customers. Credit risk of such financial assets is resulted from defaults of counterparties. The largest risk exposure equals to the carrying amount of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in Note XI. 3 to the financial statements. Substantially all of the Group's cash and bank balances are held in major financial institutions located in the PRC, which management believes are of high credit quality. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limit the amount of credit exposure to any single financial institution.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

The Group adopts the provision matrix based on portfolio to assess the credit losses of trade receivables, except for trade receivables that are individually significant and credit-impaired. The Group's trade receivables involve a large number of customers. Customer type and aging information may reflect these customers' solvency in regard of such trade receivables. The Group's management classifies the trade receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on credit risk characteristics. The Group calculates the historical actual loss rate by different customer types and different aging periods based on historical data and, through regression analysis, determines the relationship between the historical actual loss rate and economic indicators, such as GDP growth, CPI. Based on the forecasted future relevant economic indicators, the Group estimates the credit loss rates. The Group's management classifies contract assets and long-term receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on their credit risk characteristics expect for contract assets or long-term receivables that are individually significant and credit-impaired. On the basis of the historical actual loss rate, the Group takes account of forward-looking information mentioned above and then determines the credit loss rates and provision matrix to evaluate expected credit losses of contract assets and long-term receivables. Except for other receivables that are individually significant and are credit impaired, the Group assesses them individually for credit losses, the Group classifies the other receivables into different portfolios (including related parties and other external units which are taken nature of amounts into comprehensive accounts) based on credit risk characteristics of different types of customers. The Group assesses the expected credit loss of other receivables based on historical actual loss rate and considering the expected loss rate and impairment matrix after adjusting above looking-forward information.

For trade receivables, contract assets and long-term receivables that are individually significant and credit-impaired, the Group made separate credit loss assessment on individual basis. Based on the credit-impaired evidence and forward-looking information, The Group determines the expected credit loss by the difference between carrying amounts of these financial assets and the present value discounted by the original effective interest rate of expected cash flows.

For other financial assets, the Group calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, the credit risk exposure and ECL of trade receivables are disclosed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2023	143,271,083	30,576,721	173,847,804

	Impairment of credit losses		
	Not credit impaired	Credit impaired	Total
1 January 2023	5,232,066	9,983,717	15,215,783
Transferred to impairment of credit losses occurred	(337,398)	337,398	–
Provision for the year	2,635,886	1,931,961	4,567,847
Reversal for the year	(1,062,530)	(274,709)	(1,337,239)
Write-off for the year	–	(7,926)	(7,926)
Transferred in from bills receivable	–	2,014	2,014
Others	(264,028)	(137,714)	(401,742)
31 December 2023	6,203,996	11,834,741	18,038,737

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

The movements of impairment losses on contract assets for the year ended 31 December 2023 are listed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2023	272,286,161	27,544,204	299,830,365

	Provision for impairment of assets		
	Not credit impaired	Credit impaired	Total
1 January 2023	1,342,764	5,340,458	6,683,222
Transferred to impairment of credit losses occurred	(17,688)	17,688	–
Provision for the year	942,207	1,040,417	1,982,624
Reversal for the year	(552,536)	(64,744)	(617,280)
Others	(25,509)	25,204	(305)
31 December 2023	1,689,238	6,359,023	8,048,261

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, the credit risk exposure and ECL of long-term receivables (including current portion of long-term receivables) generated from transactions scoped in ASBE No. 14 are disclosed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2023	86,093,121	2,297,133	88,390,254

	Impairment of credit losses		
	Not credit impaired	Credit impaired	Total
1 January 2023	871,133	869,713	1,740,846
Provision for the year	483,911	334,757	818,668
Reversal for the year	(143,941)	(14,365)	(158,306)
Others	19,766	–	19,766
31 December 2023	1,230,869	1,190,105	2,420,974

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, the credit risk exposure and ECL of debt investments are as follows:

RMB'000

	Gross carrying amount			Total
	Stage I 12-months ECL	Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	
31 December 2023	3,539,024	897,079	3,444,835	7,880,938

	Impairment of credit losses			Total
	Stage I 12-months ECL	Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	
1 January 2023	44,822	–	1,121,306	1,166,128
Transfer to Stage II	(15,317)	15,317	–	–
Provision for the year	6,912	24,616	662,656	694,184
Reversal for the year	(12,389)	–	–	(12,389)
Write-off for the year	–	–	(40)	(40)
Others	(4,849)	–	–	(4,849)
31 December 2023	19,179	39,933	1,783,922	1,843,034

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, external financial guarantees and mortgages for real estate development operations provided by the Group amounted to RMB2,446,537,000 (31 December 2022: RMB2,554,225,000) and RMB29,178,017,000 (31 December 2022: RMB: 31,799,286,000) respectively. Details of financial guarantee contracts are set out in Note XI. 3. Management of the Group assessed overdue status of relevant borrowings, financial position of relevant debtor, and economic condition in the debtor's industry. Management is of the view that relevant credit risk of such part of financial guarantee contract had not increased significantly since initial recognition. Therefore, loss allowance for the Group's financial guarantee contracts were not determined based on the amount of lifetime ECL, but measured at the amount of the future 12-month ECL of the above financial guarantee contracts. In 2023, the Group's assessment method and significant assumptions did not change. The Group had not recognised significant expected loss allowance for guarantees and mortgages based on management's assessment.

As the Group's major customers are PRC government agencies at the national, provincial and local levels and other state-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit facility to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, on 31 December 2023, the Group already had banking facilities from several PRC banks.

The Group's policy is that not more than 75% of the borrowings shall mature in the following 12 months based on the carrying amount of borrowings reflected in the financial statements. As at 31 December 2023, the Group has 39.0% of loans and bonds payable that would expire within one year (As at 31 December 2022: 35.5%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities at the balance sheet date, based on the undiscounted contractual cash flows:

RMB'000

Item	31 December 2023					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	82,899,052	-	-	-	82,899,052
Due to customers	1,356,691	-	-	-	-	1,356,691
Bills payable	-	53,461,242	-	-	-	53,461,242
Trade payables	-	491,567,214	-	-	-	491,567,214
Other payables	-	106,058,137	-	-	-	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	56,404,561	-	-	-	56,404,561
Other current liabilities	-	230,850	-	-	-	230,850
Long-term loans	-	5,664,418	48,080,043	79,218,292	67,519,403	200,482,156
Bonds payable	-	1,726,850	15,919,289	15,489,823	-	33,135,962
Long-term payables (excluding special payables)	-	-	23,719,420	13,602,279	5,145,559	42,467,258
Lease liabilities	-	-	1,606,486	1,747,335	2,296,868	5,650,689
Other non-current liabilities	-	-	-	798,800	-	798,800
Financial guarantees (<i>Note XI.3</i>) (excluding the real estate mortgage guarantee)	2,446,537	-	-	-	-	2,446,537
Total	3,803,228	798,012,324	89,325,238	110,856,529	74,961,830	1,076,959,149

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk (Continued)

RMB'000

Item	31 December 2022					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	52,000,221	-	-	-	52,000,221
Due to customers	3,168,603	-	-	-	-	3,168,603
Bills payable	-	89,607,342	-	-	-	89,607,342
Trade payables	-	425,568,938	-	-	-	425,568,938
Other payables	-	100,528,887	-	-	-	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	46,011,572	-	-	-	46,011,572
Other current liabilities	-	760,247	-	-	-	760,247
Long-term loans	-	5,089,852	36,647,423	65,167,911	57,279,181	164,184,367
Bonds payable	-	1,596,363	13,436,378	16,150,222	-	31,182,963
Long-term payables (excluding special payables)	-	-	19,716,663	11,396,817	5,191,892	36,305,372
Lease liabilities	-	-	1,160,435	1,199,336	625,184	2,984,955
Other non-current liabilities	-	-	80,000	386,500	-	466,500
Financial guarantees (Note XI.3) (excluding the real estate mortgage guarantee)	2,554,225	-	-	-	-	2,554,225
Total	5,722,828	721,163,422	71,040,899	94,300,786	63,096,257	955,324,192

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing borrowings, cash and short-term deposits are stated at amortised cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 31 December 2023, floating interest rate loans and fixed interest rate loans accounted for approximately 81.19% and 18.81% (2022: 79.96% and 20.04%) of the Group's borrowings respectively. Management would adjust the proportion of floating and fixed rate loans based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by 0.50% (2022: 0.25%), with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB511,125,000 in 2023 (2022: RMB168,500,000), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 31 December 2023 and the exposure to interest rate risk has been applied to those borrowings in existence at that date. The estimated 0.50% (2022: 0.25%) of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year from now until the end of the next annual reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk (Continued)

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group had not entered into any hedging transactions as at 31 December 2023 in order to reduce the Group's exposure to foreign currency risk in this regard (31 December 2022: Nil).

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange rates of the United States dollar, Euro and Saudi Riyal, with all other variables held constant, of the Group's net profit and shareholder's equity net of tax.

2023:

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	4%	156,976	156,976
Decrease in the United States dollar rate	(4%)	(156,976)	(156,976)
Increase in the Euro rate	4%	(175,721)	(175,721)
Decrease in the Euro rate	(4%)	175,721	175,721
Increase in the Saudi Riyal rate	5%	(6,261)	(6,261)
Decrease in the Saudi Riyal rate	(5%)	6,261	6,261

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

2022:

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease) (restated)	<i>RMB'000</i>
			Total equity Increase/ (Decrease) (restated)
Increase in the United States dollar rate	5%	(14,283)	(14,283)
Decrease in the United States dollar rate	(5%)	14,283	14,283
Increase in the Euro rate	4%	(154,940)	(154,940)
Decrease in the Euro rate	(4%)	154,940	154,940
Increase in the Algerian dinar rate	8%	(5,012)	(5,012)
Decrease in the Algerian dinar rate	(8%)	5,012	5,012

The sensitivity analysis above has been determined assuming that the changes in foreign exchange rates had occurred as at 31 December 2023 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in foreign exchange rates over the year from now until the end of the next annual reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximise the value of shareholders and other equity investors.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital in 2023 and 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes all loans, due to customers, other current liabilities, bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding the current portion of long-term employee benefits payable and provisions) and other non-current liabilities less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the balance sheet date are listed as follows:

Item	<i>RMB'000</i>	
	31 December 2023	31 December 2022 (restated)
Short-term loans	81,839,758	51,367,562
Long-term loans	165,621,478	133,415,428
Due to customers	1,356,691	3,168,603
Bills payable	53,461,242	89,607,342
Trade payables	491,567,214	425,568,938
Other payables	106,058,137	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	54,218,317	45,294,663
Other current liabilities	230,850	760,247
Bonds payable	31,031,549	28,096,696
Long-term payables (excluding special payables)	41,052,575	34,730,991
Lease liabilities	4,080,407	2,451,292
Other non-current liabilities	798,800	466,500
Less: Cash and bank balances	166,957,837	158,424,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management (Continued)

RMB'000

Item	31 December 2023	31 December 2022 (restated)
Net debt	864,359,181	757,032,339
Attributable to shareholders' equity of the Company	309,837,517	290,398,039
Non-controlling interests	107,282,256	95,522,013
Total equity	417,119,773	385,920,052
Total equity and net debt	1,281,478,954	1,142,952,391
Gearing ratio	67%	66%

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

RMB'000

31 December 2023	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	2,723,520	–	2,723,520
Held-for-trading financial assets	467,563	–	1,162,222	1,629,785
Other debt investments	–	5,115,845	–	5,115,845
Current portion of other debt investments	–	6,963,058	–	6,963,058
Other equity instrument investments	1,974,362	–	10,601,209	12,575,571
Held-for-trading financial assets/Other non-current financial assets	169,604	–	10,117,545	10,287,149
Sum of assets under continuous measurement of fair value	2,611,529	14,802,423	21,880,976	39,294,928

RMB'000

31 December 2022	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	3,321,965	–	3,321,965
Held-for-trading financial assets	561,719	–	399,579	961,298
Other debt investments	–	4,934,663	–	4,934,663
Current portion of other debt investments	–	5,959,529	–	5,959,529
Other equity instrument investments	2,000,190	–	9,939,861	11,940,051
Other non-current financial assets	130,535	–	8,257,152	8,387,687
Sum of assets under continuous measurement of fair value	2,692,444	14,216,157	18,596,592	35,505,193

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IX. DISCLOSURE OF FAIR VALUE (Continued)

1. Assets and liabilities measured at fair value (Continued)

Quantitative information of fair value measurement at Level 2:

RMB'000

Item	Fair value as at 31 December 2023	Valuation technique(s)	Key input(s)
Receivables at FVTOCI	2,723,520	Discounted cash flows	Discount rates for bank acceptance bills in the same term
Other debt investments	5,115,845	Discounted cash flows	Market average rate of return with the category in the same term
Current portion of other debt investments	6,963,058	Discounted cash flows	Market average rate of return with the category in the same term
Total	14,802,423	–	–

Quantitative information of fair value measurement at Level 3:

RMB'000

Item	Fair value as at 31 December 2023	Valuation technique(s)	Significant unobservable input(s)
Held-for-trading financial assets	230,850	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other equity instrument investments	10,601,209	Market method	Discount rate for lack of market mobility
Held-for-trading financial assets/Other non-current financial assets – call options for unlisted entities	3,750,616	Binomial tree option pricing model for valuation	Unlisted entities' revenue volatility and unlisted equity investments' comparable entities' stock price volatility
Other non-current financial assets – others	7,298,301	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Sum of assets under continuous measurement of fair value	21,880,976	–	–

Fair value of listed equity instruments is determined based on a quoted market price.

For the year ended 31 December 2023, there was no transfer of fair value measurements between each level for both financial assets and financial liabilities of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IX. DISCLOSURE OF FAIR VALUE (Continued)

2. Fair value of assets and liabilities that are not measured at fair values

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the financial statements approximate to their fair values except the following items:

RMB'000

Item	Carrying amount		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Long-term loans	39,766,723	34,849,076	39,964,552	35,597,257
Bonds payable	31,031,549	28,096,696	31,099,055	28,109,170

Note: Fair value of long-term loans and bonds payable is determined by discounted future cash flow method, with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 31 December 2023, its own default risk of long-term and short-term loans was evaluated as insignificant.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

Company name	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Railway Construction Corporation	Beijing	Construction and management	RMB9,000,000	51.23	51.23

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

2. Subsidiaries

Please refer to Note XIV. 3(i) "Subsidiaries".

3. Joint venture and associate

Company name	Related party relationship
Anhui Zhenrui Construction Engineering Co., Ltd.	Joint venture
Beijing Jiehai Real Estate Co., Ltd.	Joint venture
Beijing Liuzhuang Real Estate Co., Ltd.	Joint venture
Beijing Ruida Real Estate Co., Ltd.	Joint venture
Beijing Xinda Real Estate Co., Ltd.	Joint venture
Changzhou Jingrui Real Estate Development Co., Ltd.	Joint venture
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	Joint venture
Chengdu Tiecheng Real Estate Co., Ltd.	Joint venture
Chengdu China Railway Huafu Real Estate Co., Ltd.	Joint venture
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	Joint venture
Dalian Wancheng Zhiguang Real Estate Co., Ltd.	Joint venture
Deqing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Dong'e Huicheng Investment Development and Construction Co., Ltd.	Joint venture
Foshan City Shunde District Shunhao Real Estate Co., Ltd.	Joint venture
Fuzhou Xincheng Real Estate Co., Ltd.	Joint venture
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Joint venture
Guangzhou Suiyun Real Estate Co., Ltd.	Joint venture
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Joint venture
Guangzhou Xintie Xinjian Investment Co., Ltd.	Joint venture
Guigang Hesi Quanyu Tourism Development Co., Ltd.	Joint venture
Guiyang Changda Rail Transit Construction Co. Ltd.	Joint venture
Guizhou Guijin Expressway Co., Ltd.	Joint venture
Guizhou Jianli Highway Co., Ltd.	Joint venture
Guizhou Qianzhong Expressway Development Co., Ltd.	Joint venture
Guizhou Tongxin Expressway Development Co., Ltd.	Joint venture
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	Joint venture
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.	Joint venture
Hangzhou Jingke Real Estate Co., Ltd.	Joint venture
Hebei China Railway Cangyan Construction Technology Co., Ltd.	Joint venture
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Joint venture
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.	Joint venture
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	Joint venture
Jinan Kunlun Investment North Industrial Road Construction Co., Ltd.	Joint venture
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	Joint venture
Jiangsu Yinbao Gangkai Construction Co., Ltd.	Joint venture
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Joint venture
Jingxing County Runlian Agricultural Development Co., Ltd.	Joint venture
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Joint venture
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Joint venture
Kunming Qiping Real Estate Co., Ltd.	Joint venture
Kunming Tiexin Construction Management Co., Ltd.	Joint venture
Nanchang Xintiecheng Construction Co., Ltd.	Joint venture
Nanjing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	Joint venture
Ningbo Jingsheng Real Estate Co., Ltd.	Joint venture
Ningbo Jingwan Investment Management Co., Ltd.	Joint venture
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	Joint venture
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	Joint venture
Shanghai Hongjun Real Estate Co., Ltd.	Joint venture
Shijiazhuang Jiasheng Pipe Gallery Engineering Co., Ltd.	Joint venture
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	Joint venture
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	Joint venture
Sichuan Chengmian Cangba Highway Co., Ltd.	Joint venture
Sichuan Danei Expressway Co., Ltd.	Joint venture
Sichuan Langying Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Sichuan Nansuitong Expressway Co., Ltd	Joint venture
Sichuan Suide Expressway Co., Ltd.	Joint venture
Suzhou Jingzhao Real Estate Development Co., Ltd.	Joint venture
Suzhou Ruihua Real Estate Co., Ltd.	Joint venture
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Joint venture
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	Joint venture
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	Joint venture
Tianjin Wanhe Real Estate Co., Ltd.	Joint venture
Tianjin Line 1 Rail Transit Operation Co., Ltd.	Joint venture
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	Joint venture
Xi'an Kaishengda Real Estate Co., Ltd.	Joint venture
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	Joint venture
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	Joint venture
Xuanwei Jingyuan Environmental Protection Co., Ltd	Joint venture
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	Joint venture
Yangxi Yiju Ecological Construction Co., Ltd.	Joint venture
Yunnan Luqiu Guangfu Expressway Investment & Development Co., Ltd.	Joint venture
Yunnan Luxun Highway Co., Ltd.	Joint venture
Changchun Jingde Real Estate Development Co., Ltd.	Joint venture
Changsha Yuchi River Area Development & Investment Co., Ltd.	Joint venture
Changsha Zhicheng Real Estate Co., Ltd.	Joint venture
China-Africa Lekkil Investment Co., Ltd.	Joint venture
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	Joint venture
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Joint venture
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Joint venture
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	Joint venture
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	Joint venture
CRCC Kunlun Yunnan Real Estate Co., Ltd.	Joint venture
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Joint venture
CRCC Shaanxi Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Shaanxi Meitai Expressway Co., Ltd.	Joint venture
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	Joint venture
China Railway Construction & Investment Xi'an City Development Co., Ltd	Joint venture
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Joint venture
Chongqing Jianlian New Real Estate Development Co., Ltd.	Joint venture
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	Joint venture
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiefa Jianxin Highway Co., Ltd.	Joint venture
Chongqing Tiefa Shuanghe Expressway Co., Ltd.	Joint venture
Chongqing Yusui Fuxian Highway Co., Ltd.	Joint venture
Chongqing Yuxiang Fuxian Highway Co., Ltd.	Joint venture
Anqing Gaotie New Area Construction Investment Co., Ltd.	Associate
Chengdu Yueran Real Estate Co., Ltd.	Associate
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Associate
Fujian Ronghui Construction and Development Co., Ltd.	Associate
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	Associate
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	Associate
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Associate
Gansu tietou Materials Co., Ltd.	Associate
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	Associate
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Fengjian Investment Center (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	Associate
Guangxi Yujin Investment Development Co., Ltd.	Associate
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	Associate
Guangzhou Hongjia Real Estate Co., Ltd.	Associate
Guangzhou Hongxuan Real Estate Co., Ltd.	Associate
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Associate
Guangzhou ShengDu Investment Development Co., Ltd.	Associate
Guigang Western Outer Ring Road Highway Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Guizhou Jinrentong Expressway Development Co., Ltd.	Associate
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	Associate
Guizhou Wengma Railway Limited Co., Ltd.	Associate
CRCC Guizhou Engineering Investment Co., Ltd	Associate
Hangqu Railway Co., Ltd.	Associate
Hangzhou Jiandejiang Investment Co., Ltd.	Associate
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Associate
Hangzhou Xiashalu Tunnel Co., Ltd.	Associate
Henan Optimisation Transportation Industry Investment Co., Ltd.	Associate
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	Associate
Hengda Real Estate (Shenzhen) Co., Ltd.	Associate
Hunan Maglev Transportation Development Co., Ltd.	Associate
Huaibei Zhongsui Construction Development Co., Ltd.	Associate
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	Associate
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.	Associate
Jiangxi Leshui Ecotourism Development Co., Ltd.	Associate
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	Associate
Jintai infrastructure investment (Tianjin) partnership (limited partnership)	Associate
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	Associate
Kunming Fuyi Highway Co., Ltd.	Associate
Kunming Sanqing Highway Co., Ltd.	Associate
Liaocheng Xurui Municipal Engineering Co., Ltd.	Associate
Linyi Xinfenghuang Urban Renewal Co., Ltd.	Associate
CRCC Luoyang Guozhan Development and Construction Co., Ltd	Associate
Maanshan Zhengpu Port Railway Co., Ltd.	Associate
Nanjing Yuanchen Real Estate Co., Ltd.	Associate
Nantong Yanglv Railway Development & Construction Co., Ltd.	Associate
Ningbo Runsheng Real Estate Development Co., Ltd.	Associate
Ningxia Inter-City Railway Co., Ltd.	Associate
Ningxia Chengxin Railway Logistics Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	Associate
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	Associate
Qingyuan Maglev Transportation Co., Ltd.	Associate
Sanmenxia Smart Island Construction Development Co., Ltd.	Associate
Sanya Zhongcheng Real Estate Co., Ltd.	Associate
Shanxi Lihuo Expressway Co., Ltd.	Associate
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	Associate
Shaanxi Danningdong Highway Co., Ltd.	Associate
Shanghai Gangheng Real Estate Co., Ltd.	Associate
Shanghai Jingmiaoxin Real Estate Co., Ltd.	Associate
Shanghai Wanjinglong Real Estate Co., Ltd.	Associate
Shanghai Xinfucheng Real Estate Development Co., Ltd.	Associate
Shanghai Xinjinghui Real Estate Development Co., Ltd.	Associate
Shanghai Xinruicheng Real Estate Development Co., Ltd.	Associate
Sichuan Jinsuiyuan Construction Development Co., Ltd.	Associate
Sichuan Jintou Project Investment Co., Ltd.	Associate
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	Associate
Taiyuan Airport Hub Real Estate Co., Ltd.	Associate
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	Associate
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	Associate
Tianshui Tram Co., Ltd.	Associate
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	Associate
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	Associate
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	Associate
Wantong Intercity Railway Co., Ltd.	Associate
Wuweitongda Highway Construction Co., Ltd.	Associate
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Associate
Wuhan Zhaorui Real Estate Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	Associate
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	Associate
Xuzhou Jiaokong Supply Chain Co., Ltd.	Associate
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	Associate
Yuxi China Railway Infrastructure Construction Co., Ltd.	Associate
Yunnan Chuda Expressway Investment and Development Co., Ltd.	Associate
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	Associate
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Associate
Changchun Chengtuo Ecological Governance Construction Investment Co., Ltd.	Associate
Changchun Nonggao Lingfa Park Management Service Co., Ltd.	Associate
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	Associate
Zhejiang Jinsheng Construction Development Co., Ltd.	Associate
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	Associate
CRCC (Shandong) Deshang Highway Co., Ltd.	Associate
CRCC (Shandong) Gaodong Highway Co., Ltd.	Associate
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Associate
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	Associate
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	Associate
CRCC Gansu Zhangbian Highway Co., Ltd.	Associate
China Railway Construction Port and Waterway Bureau Group Changshou Changjiang Second Bridge Construction Co., Ltd.	Associate
CRCC Hunan Expressway Co., Ltd.	Associate
CRCC East China (Cixi) Construction Co., Ltd.	Associate
CRCC Financial Leasing Co., Ltd.	Associate
CRCC Ningxia Highway Co. Ltd.	Associate
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	Associate
CRCC Sichuan Dedu Highway Co., Ltd.	Associate
China Railway Construction Sichuan Dejian Expressway Co., Ltd.	Associate
CRCC-Tongguan Investment Co., Ltd.	Associate
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	Associate
China Railway Construction Investment Guangxi Yuyi Expressway Co., Ltd.	Associate
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	Associate
CRCC Investment Jizhong Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Associate
CRCC Investment Langfang Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	Associate
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Associate
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	Associate
CRCC Investment Weifang City Development and Construction Co., Ltd.	Associate
CRCC Xinjiang Jingxin Expressway Co., Ltd.	Associate
CRCC Real Estate Co., Ltd.	Associate
Zhongxiang Riqing Ecological Governance Co., Ltd.	Associate
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	Associate
Chongqing Monorail Transit Engineering Co., Ltd.	Associate
Chongqing Tiefu Xiusong Highway Co., Ltd.	Associate
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Associate
Zhuhai Jiaojian Engineering Co., Ltd.	Associate
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	Associate

4. Other related parties

Company name	Related party relationship
CRCC JinLi Asset Management Co., Ltd.	Fellow subsidiary
Beijing Tongda Jingcheng Highway Co., Ltd.	Fellow subsidiary

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions

RMB'000

Item	2023	2022
(1) Revenue from construction services		
Sichuan Chengmian Cangba Highway Co., Ltd.	6,318,169	8,213,598
Chongqing Yuxiang Fuxian Highway Co., Ltd.	4,702,636	4,619,836
CRCC Ningxia Highway Co. Ltd.	3,893,223	5,990,163
Guizhou Qianzhong Expressway Development Co., Ltd.	3,890,511	1,362,158
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	3,780,575	3,729,672
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	3,681,958	170,986
Guizhou Jianli Highway Co., Ltd.	3,550,370	3,408,726
Hangqu Railway Co., Ltd.	3,298,317	1,938,618
Guiyang Changda Rail Transit Construction Co. Ltd.	3,010,126	2,343,534
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	3,003,042	1,631,255
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	2,621,108	3,115,384
CRCC Shaanxi Meitai Expressway Co., Ltd.	2,535,094	2,288,387
CRCC Investment Jizhong Development and Construction Co., Ltd.	2,316,107	3,795,212
Kunming Fuyi Highway Co., Ltd.	2,272,071	2,035,120
China Railway Construction Investment Guangxi Yuyi Expressway Co., Ltd.	2,076,927	224,259
Guizhou Jinrentong Expressway Development Co., Ltd.	2,072,228	1,860,445
Guizhou Guijin Expressway Co., Ltd.	2,045,375	3,543,688
Yunnan Luxun Highway Co., Ltd.	1,853,161	9
Sichuan Nansuitong Expressway Co., Ltd.	1,809,974	803,046
Nantong Yanglv Railway Development & Construction Co., Ltd.	1,768,560	470,878
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	1,749,804	996,233
Kunming Sanqing Highway Co., Ltd.	1,703,139	3,185,700

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item	2023	2022
(1) Revenue from construction services (Continued)		
<i>Note 1</i>		
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	1,523,235	1,386,328
Chongqing Yusui Fuxian Highway Co., Ltd.	1,519,020	–
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	1,241,979	1,306,308
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	1,200,581	1,043,291
Sichuan Langying Highway Co., Ltd.	1,200,037	–
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	1,182,824	1,461,657
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	1,168,739	1,305,979
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	1,167,209	914,014
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	1,161,983	407,141
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	1,138,442	438,374
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	1,125,369	1,198,599
Shaanxi Danningdong Highway Co., Ltd.	1,123,821	882,641
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	1,085,173	2,203,809
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	1,032,706	908,513
Guizhou Tongxin Expressway Development Co., Ltd.	1,012,659	1,600,997
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	903,787	1,409,931
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	854,300	1,404,571
Ningxia Inter-City Railway Co., Ltd.	692,777	257,653

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item	2023	2022
(1) Revenue from construction services (Continued)		
Chongqing Tiefa Shuanghe Expressway Co., Ltd.	600,817	1,274,336
Yunnan Chuda Expressway Investment and Development Co., Ltd.	532,545	1,118,739
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	507,054	2,835,759
CRCC Luoyang Guozhan Development and Construction Co., Ltd.	502,980	957,913
Jingxing County Runlian Agricultural Development Co., Ltd.	396,905	809,967
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	311,052	300,709
Xuanwei Jingyuan Environmental Protection Co., Ltd.	298,967	804,049
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	274,684	722,607
Shanxi Lihuo Expressway Co., Ltd.	261,885	1,267,950
Chongqing Tiefa Jianxin Highway Co., Ltd.	227,276	1,206,386
Yunnan Kunchu Highway Investment & Development Co., Ltd.	219,656	1,337,149
Sichuan Danei Expressway Co., Ltd.	183,234	978,160
Sichuan Suide Expressway Co., Ltd.	43,883	1,790,002
Hangzhou Xiashalu Tunnel Co., Ltd.	36,396	737,556
Total	88,684,450	89,997,995
(2) Revenue from sales of goods		
Xuzhou Jiaokong Supply Chain Co., Ltd.	580,088	648,087
CRCC Financial Leasing Co., Ltd.	528,104	854,579
Anhui Zhenrui Construction Engineering Co., Ltd.	405,013	261,336
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	21,238	15,674
CRCC Xinjiang Jingxin Expressway Co., Ltd.	11,947	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item	2023	2022
Total	1,546,390	1,779,676
(3) Other incomes		
Fuzhou Xinchen Real Estate Co., Ltd.	71,554	794
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	69,623	108,203
Beijing Ruida Real Estate Co., Ltd.	60,564	58,633
Beijing Jiehai Real Estate Co., Ltd.	57,638	31,222
Wuhan Zhaorui Real Estate Co., Ltd.	51,792	97,886
Xi'an Kaishengda Real Estate Co., Ltd.	45,178	–
Kunming Qiping Real Estate Co., Ltd.	44,272	45,842
Guangzhou Shengdu Investment Development Co., Ltd.	41,560	63,709
China Railway Construction Corporation	39,534	79,561
Chengdu Tiecheng Real Estate Co., Ltd.	39,010	20,494
Guangzhou Suiyun Real Estate Co., Ltd.	36,182	37,467
Suzhou Jingzhao Real Estate Development Co., Ltd.	35,468	2,111
CRCC Real Estate Co., Ltd.	29,559	66,000
CRCC-Tongguan Investment Co., Ltd.	26,317	26,401
Chengdu Yueran Real Estate Co., Ltd.	26,033	37,572
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	25,926	25,350
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	23,430	33,420
China Railway Construction & Investment Xi'an City Development Co., Ltd.	22,987	25,840
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	21,998	66,704
Total	768,625	827,209

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item		2023	2022
(4) Purchase of goods or receipt of services	<i>Note 5</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.		545,213	177,815
Jinan Rail China Railway Segment Manufacturing Co., Ltd.		302,952	15,722
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.		263,772	16,229
Gansu Tietou Materials Co., Ltd.		124,032	293,128
CRCC Financial Leasing Co., Ltd.		94,755	234,071
Zhuhai Jiaojian Engineering Co., Ltd.		67,552	20,544
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.		34,651	144,413
Chongqing Monorail Transit Engineering Co., Ltd.		7,150	99,126
Total		1,440,077	1,001,048
(5) Other expenses	<i>Note 5</i>		
Guangzhou Xintie Xinjian Investment Co., Ltd.		131,059	145,984
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.		127,500	87,000
China Railway Construction Corporation	<i>Note 4</i>	52,861	59,473
CRCC JinLi Asset Management Co., Ltd.	<i>Note 4</i>	15,005	16,941
CRCC Xinjiang Jingxin Expressway Co., Ltd.		3,255	7,977
CRCC Ningxia Highway Co. Ltd.		2,619	8,571
CRCC Shaanxi Highway Co., Ltd.		—	7,357
Total		332,299	333,303

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

(6) Related party leasing

As the lessee:

			<i>RMB'000</i>	
Lessor		Leasing asset types	Amount recognised in the current year	Amount recognised in the prior year
CRCC Financial Leasing Co., Ltd.	<i>Note 6</i>	Machinery	1,976,765	1,814,148
China Railway Construction Corporation	<i>Note 4, Note 6</i>	Buildings	97,091	66,588
CRCC JinLi Asset Management Co., Ltd.	<i>Note 4, Note 6</i>	Buildings	36,587	33,270
Total		–	2,110,443	1,914,006

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

(7) Guarantees granted to a related party

31 December 2023:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	623,347	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	538,020	23 August 2023	30 December 2027	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	398,040	14 June 2022	21 December 2031	No
Wuhan Zhaorui Real Estate Co., Ltd.	191,100	9 July 2021	27 March 2024	No
Total	1,750,507	–	–	–

31 December 2022:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	637,761	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	371,102	9 July 2021	27 March 2024	No
Wuhan Zhaorui Real Estate Co., Ltd.	245,000	17 August 2022	26 July 2025	No
CRCC-Tongguan Investment Co., Ltd.	411,608	17 March 2014	30 December 2023	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	225,525	14 June 2022	21 December 2031	No
CRCC-Tongguan Investment Co., Ltd.	208,938	13 June 2019	13 June 2024	No
CRCC-Tongguan Investment Co., Ltd.	42,940	20 May 2015	20 November 2023	No
Total	2,142,874	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

(8) Key management's remuneration

Item	<i>RMB'000</i>	
	2023	2022
Key management's remuneration	18,536	32,782

Note 1: The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.

Note 2: The terms of the sales agreements of goods entered into by the Group and related parties were mutually agreed by the parties.

Note 3: The terms of the agreements relating to rendering of or receiving other services entered into by the Group and related parties were mutually agreed by the parties. The other income from related parties was mainly interest income from loans receivable.

Note 4: The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 5: The terms of the purchase agreements of goods and services entered into by the Group and related parties were mutually agreed by the parties.

Note 6: The lease fees recognised by the group and its affiliated companies are the lease payments paid by the group to repay the lease liabilities in the current period and the short-term lease and low-value assets lease expenses included in the current profit and loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Bills receivable				
Guansu Gonghanglv Longzhang Expressway Management Co., Ltd.	300,000	1,500	–	–
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	90,000	450	193,104	966
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	46,000	230	70,000	350
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	–	–	353,805	354
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	–	–	240,000	240
Total	436,000	2,180	856,909	1,910
Trade receivables				
CRCC Luoyang guozhan development and Construction Co., Ltd.	761,448	17,154	698,937	2,667
Anhui Zhenrui Construction Engineering Co., Ltd.	402,153	1,263	411,910	1,891
CRCC Shaanxi Meitai Expressway Co., Ltd.	335,691	356	27,219	136
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	322,423	1,575	147,837	4,016
Zhejiang Jinsheng Construction Development Co., Ltd.	302,676	1,493	–	–
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	292,075	1,499	179,432	179
Yuxi China Railway Infrastructure Construction Co., Ltd.	248,692	7,369	328,762	8,369
Guizhou Jinrentong Expressway Development Co., Ltd.	241,859	242	–	–
Guansu Gonghanglv Longzhang Expressway Management Co., Ltd.	236,130	236	171,493	171
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	235,678	1,178	104,313	44
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	224,995	1,125	76,803	77
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.	215,029	215	66,121	66

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)				
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	204,969	250	301,605	311
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	184,082	1,594	–	–
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	182,453	906	179,479	240
Suzhou Jingzhao Real Estate Development Co., Ltd.	175,133	489	36,100	36
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	174,267	174	–	–
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.	163,795	2,886	209,514	210
Yangxi Yiju Ecological Construction Co., Ltd.	163,058	907	–	–
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	160,679	1,042	113,060	350
Huaibei Zhongsui Construction Development Co., Ltd.	155,445	265	–	–
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	152,290	761	72,150	361
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	136,892	1,619	90,272	540
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	135,078	11,841	183,913	11,535
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	135,028	1,514	–	–
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	134,110	1,164	125,948	126
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	132,648	663	–	–
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	128,675	812	310	140
Tianshui Tram Co., Ltd.	124,453	679	83,608	418
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	114,595	951	–	–
Nanchang Xintiecheng Construction Co., Ltd.	106,468	532	19,017	95
Ningxia Chengxin Railway Logistics Co., Ltd.	106,209	531	–	–

Note 1

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)				
	<i>Note 1</i>			
Chongqing Tiefa Jianxin Highway Co., Ltd.	104,767	1,758	254,738	857
Qingyuan Maglev Transportation Co., Ltd.	95,822	483	296,442	344
CRCC Kunlun Yunnan Real Estate Co., Ltd.	72,743	416	212,767	1,019
CRCC Financial Leasing Co., Ltd.	64,807	243	114,334	4,481
China-Africa Lekkil Investment Co., Ltd.	58,426	58	106,553	107
Foshan City Shunde District Shunhao Real Estate Co., Ltd.	52,649	58	123,955	119
Kunming Sanqing Highway Co., Ltd.	44,216	540	320,947	321
Wuweitongda Highway Construction Co., Ltd.	42,143	1,134	164,753	940
Jiangxi Leshui Ecotourism Development Co., Ltd.	37,359	1,358	131,307	4,699
Xuanwei Jingyuan Environmental Protection Co., Ltd.	25,253	5,640	102,148	511
Jingxing County Runlian Agricultural Development Co., Ltd.	5,036	5	381,400	776
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	4,076	35	185,909	216
CRCC Investment Jizhong Development and Construction Co., Ltd.	3,961	4	261,434	1,270
Total	7,400,434	75,017	6,284,490	47,638
Loans and advances to customers				
	<i>Note 3</i>			
China Railway Construction Corporation	1,650,000	45,375	1,400,000	36,750
Hangqu Railway Co., Ltd.	85,000	3,320	85,000	3,060
Total	1,735,000	48,695	1,485,000	39,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023		31 December 2022	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables					
Tianjin Wanhe Real Estate Co., Ltd.	Note 2	2,537,172	505,619	2,675,213	222,714
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Note 2	1,633,436	1,691	1,680,766	1,738
Guangzhou Shengdu Investment Development Co., Ltd.	Note 2	1,344,976	1,345	1,264,879	1,265
Beijing Ruida Real Estate Co., Ltd.	Note 2	1,341,562	1,342	1,308,531	1,309
Wuhan Zhaorui Real Estate Co., Ltd.	Note 2	1,124,439	1,124	1,555,594	1,556
Shanghai Wanjinglong Real Estate Co., Ltd.	Note 2	1,082,998	1,083	–	–
Beijing Jiehai Real Estate Co., Ltd.	Note 2	972,944	973	854,752	855
China Railway Construction & Investment Xi'an City Development Co., Ltd		969,360	28,597	743,063	3,074
CRCC Guizhou Engineering Investment Co., Ltd		913,446	150,588	701,045	34,491
Chengdu Tiecheng Real Estate Co., Ltd.	Note 2	822,791	823	788,473	788
Guangzhou Suiyun Real Estate Co., Ltd.	Note 2	785,102	64,595	746,749	4,951
Kunming Qiping Real Estate Co., Ltd.	Note 2	643,421	643	582,380	582
Nanjing Yuanchen Real Estate Co., Ltd.	Note 2	643,080	643	803,080	803
Ningbo Jingwan Investment Management Co., Ltd.	Note 2	522,350	522	504,377	501
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Note 2	494,197	280,075	418,892	419
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Note 2	491,046	491	465,391	465
Chengdu Yueran Real Estate Co., Ltd.	Note 2	464,849	465	563,459	563
Changchun Jingde Real Estate Development Co., Ltd.	Note 2	446,350	440	416,311	416
Guangzhou Xintie Xinjian Investment Co., Ltd.		440,035	243	3,710	4
Fuzhou Xincheng Real Estate Co., Ltd.	Note 2	434,727	435	354,955	355

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables (Continued)				
Suzhou Jingzhao Real Estate Development Co., Ltd. <i>Note 2</i>	395,602	396	703,962	704
Taiyuan Airport Hub Real Estate Co., Ltd. <i>Note 2</i>	386,109	2,867	526,896	527
Beijing Liuzhuang Real Estate Co., Ltd. <i>Note 2</i>	311,282	311	310,648	311
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	304,753	1,525	487,876	2,487
Xi'an Kaishengda Real Estate Co., Ltd. <i>Note 2</i>	283,165	283	–	–
Deqing Jingsheng Real Estate Development Co., Ltd. <i>Note 2</i>	278,714	279	393,068	393
Xixian New Area Xingchengrenju Real Estate Co., Ltd. <i>Note 2</i>	240,046	240	83,857	206
China Railway Construction Sichuan Dejian Expressway Co., Ltd.	206,592	1,196	637	1
Chongqing Tiyu Zhaohua Real Estate Development Co., Ltd. <i>Note 2</i>	206,228	206	–	–
Guangxi Yujin Investment Development Co., Ltd. <i>Note 2</i>	152,142	761	169,486	275
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	150,011	750	–	–
Chongqing Jianlian New Real Estate Development Co., Ltd. <i>Note 2</i>	132,013	132	142,208	142
Sanya Zhongcheng Real Estate Co., Ltd. <i>Note 2</i>	126,487	16,521	103,899	7,559
Suzhou Ruihua Real Estate Co., Ltd. <i>Note 2</i>	121,981	122	121,981	122
CRCC (Shandong) Gaodong Highway Co., Ltd.	120,000	600	–	–
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	114,473	572	201,550	1,008
Beijing Xinda Real Estate Co., Ltd. <i>Note 2</i>	113,246	76,484	2,447,036	76,484
Changsha Zhicheng Real Estate Co., Ltd. <i>Note 2</i>	112,167	349	–	–
Foshan City Shunde District Shunhao Real Estate Co., Ltd. <i>Note 2</i>	47,956	47,956	725,744	48,632
Nanjing Jingsheng Real Estate Development Co., Ltd. <i>Note 2</i>	818	1	660,747	661
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	504	15	609,350	3,255
Ningbo Jingsheng Real Estate Co., Ltd. <i>Note 2</i>	–	–	1,516,445	16
Total	21,912,570	1,193,303	25,637,010	419,632

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables				
Guangzhou Nansha Hengcheng Real Estate Co., Ltd. <i>Note 2</i>	2,391,047	2,391	-	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	977,308	5,357	1,231,941	6,448
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd. <i>Note 2</i>	745,411	430,829	939,737	353,594
Chengdu Tiecheng Real Estate Co., Ltd. <i>Note 2</i>	689,065	689	-	-
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	641,070	3,634	458,501	2,400
Hohhot Metro Line 2 Construction & Management Co., Ltd.	537,662	45,770	536,761	45,768
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	480,000	2,400	480,000	2,400
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	438,948	2,287	39	39
Yuxi China Railway Infrastructure Construction Co., Ltd.	409,681	2,048	456,651	2,283
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	374,617	1,873	22,761	114
CRCC Sichuan Dedu Highway Co., Ltd.	319,892	1,599	-	-
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	306,882	1,534	89,251	446
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	302,376	1,528	289,257	1,446
Anqing Gaotie New Area Construction Investment Co., Ltd.	301,440	1,507	334,805	335
Jiangsu Yinbao Gangkai Construction Co., Ltd.	299,857	1,499	282,662	283
Sichuan Jinsuiyuan Construction Development Co., Ltd.	272,189	1,426	-	-
Dong'e Huicheng Investment Development and Construction Co., Ltd.	272,127	1,362	96,197	481
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	217,478	1,087	9,889	49
Shanghai Gangheng Real Estate Co., Ltd. <i>Note 2</i>	168,484	842	326,366	1,632

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (Continued)				
CRCC Investment Langfang Development and Construction Co., Ltd.	157,718	789	142,692	143
Wantong Intercity Railway Co., Ltd.	152,834	894	172,169	857
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	140,104	701	425,101	438
Taiyuan Airport Hub Real Estate Co., Ltd. <i>Note 2</i>	136,836	419	133,051	934
Changzhou Jingrui Real Estate Development Co., Ltd. <i>Note 2</i>	131,131	606	198,065	1,103
Changsha Zhicheng Real Estate Co., Ltd. <i>Note 2</i>	83,978	840	179,843	1,774
Chongqing Tiefu Jianxin Highway Co., Ltd.	53,066	51	145,570	898
Chongqing Tiefu Shuanghe Expressway Co., Ltd.	4,144	4	225,937	1,125
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	–	–	239,792	1,196
Total	11,005,345	513,966	7,417,038	426,186

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Debt investments				
Hengda Real Estate (Shenzhen) Co., Ltd.	2,927,357	1,706,991	2,927,357	1,080,312
Liaocheng Xurui Municipal Engineering Co., Ltd.	551,580	2,758	538,818	2,694
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	524,058	524	519,081	474
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	517,478	76,930	406,885	40,994
CRCC-Tongguan Investment Co., Ltd.	363,980	364	637,663	638
Linyi Xinfenghuang Urban Renewal Co., Ltd.	150,000	7,500	260,000	13,000
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	134,505	673	-	-
China Railway Construction port and Waterway Bureau Group Changshou Changjiang Second Bridge Construction Co., Ltd.	90,510	331	330,736	317
Changchun Nonggao Lingfa Park Management Service Co., Ltd.	85,574	428	56,093	280
Sanmenxia Smart Island Construction Development Co., Ltd.	71,264	356	68,170	341
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	68,669	69	231,134	200
Total	5,484,975	1,796,924	5,975,937	1,139,250

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Bills payable		
CRCC Financial Leasing Co., Ltd.	56,862	99,026
Xuzhou Jiaokong Supply Chain Co., Ltd.	54,534	160,183
Gansu Tietou Materials Co., Ltd.	45,000	124,433
Total	156,396	383,642
Trade payables		
	<i>Note 1</i>	
Xuzhou Jiaokong Supply Chain Co., Ltd.	145,665	89,014
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	141,016	11,030
Gansu Tietou Materials Co., Ltd.	99,006	15,381
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	72,168	40,510
CRCC Financial Leasing Co., Ltd.	71,377	48,084
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	62,603	12,431
Hebei China Railway Cangyan Construction Technology Co., Ltd.	36,692	34,975
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	33,286	15,623
Henan Optimisation Transportation Industry Investment Co., Ltd.	28,289	31,862
Kunming Tiexin Construction Management Co., Ltd.	21,727	32,602
Total	711,829	331,512

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Contract liabilities		
	<i>Note 4</i>	
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	468,458	192,550
Sichuan Nansuitong Expressway Co., Ltd	383,089	552,680
Guigang Western Outer Ring Road Highway Co., Ltd.	188,896	72,853
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	154,420	–
Guigang Hesi Quanyu Tourism Development Co., Ltd.	95,000	33
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	83,479	–
Changchun Chengtou Ecological Governance Construction Investment Co., Ltd.	79,700	–
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	75,470	–
Foshan Road and Bridge Prefabricated Components Co., Ltd.	63,645	–
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	47,085	96,622
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	43,151	–
CRCC Xinjiang Jingxin Expressway Co., Ltd.	41,307	6,871
Sichuan Jintou Project Investment Co., Ltd.	40,985	2,392
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	40,000	–
Sichuan Langying Highway Co., Ltd.	34,796	–
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	34,002	–
Hunan Maglev Transportation Development Co., Ltd.	33,124	151

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023	31 December 2022
Contract liabilities (Continued)	<i>Note 4</i>		
Zhongxiang Riqing Ecological Governance Co., Ltd.		32,447	26,421
Fujian Ronghui Construction and Development Co., Ltd.		31,433	3,460
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.		30,967	–
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.		–	1,246,764
Yunnan Luqiu Guangfu Expressway Investment & Development Co., Ltd.		–	737,000
Chongqing Yuxiang Fuxian Highway Co., Ltd.		–	504,415
Total		2,001,454	3,442,212
Other payables	<i>Note 1</i>		
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		1,280,859	–
Guangzhou Xintie Xinjian Investment Co., Ltd.		1,231,252	2,450,946
Shanghai Xinjinghui Real Estate Development Co., Ltd.		803,516	294,722
Shanghai Jingmiaoxin Real Estate Co., Ltd.		718,274	45,301
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.		667,315	44,368
Ningbo Runsheng Real Estate Development Co., Ltd.		598,201	–
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.		501,960	64,645

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Other payables (Continued)		
	<i>Note 1</i>	
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	492,379	67,131
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	484,470	243,320
CRCC Sichuan Dedu Highway Co., Ltd.	407,217	431,004
Yunnan Kunchu Highway Investment & Development Co., Ltd.	336,312	34,472
Chongqing Tiefa Jianxin Highway Co., Ltd.	324,262	5,580
Yuxi China Railway Infrastructure Construction Co., Ltd.	280,000	–
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	279,250	134,250
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	271,076	271,354
CRCC Hunan Expressway Co., Ltd.	260,766	144,672
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	258,216	9,341
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	254,308	10,749
Shanghai Xinfucheng Real Estate Development Co., Ltd.	253,264	134,985
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	248,846	–
Nanjing Jingsheng Real Estate Development Co., Ltd.	240,177	5
CRCC Gansu Zhangbian Highway Co., Ltd.	237,522	266,178
CRCC (Shandong) Deshang Highway Co., Ltd.	220,300	133,924
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	219,982	353,332
Shanghai Xinruicheng Real Estate Development Co., Ltd.	218,638	251,248
Tianjin Line 1 Rail Transit Operation Co., Ltd.	205,862	139,866

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023	31 December 2022
Other payables (Continued)	<i>Note 1</i>		
CRCC Ningxia Highway Co. Ltd.		185,991	34,876
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		185,151	42,841
Guizhou Tongxin Expressway Development Co., Ltd.		176,777	1,688
Sichuan Nansuitong Expressway Co., Ltd.		172,457	3,815
Hangzhou Jingke Real Estate Co., Ltd.		171,207	173,502
Changsha Yuchi River Area Development & Investment Co., Ltd.		169,330	85,480
Beijing Tongda Jingcheng Highway Co., Ltd.		165,110	82,281
Kunming Fuyi Highway Co., Ltd.		164,077	64,455
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.		151,772	360,000
Chongqing Tiefu Xiusong Highway Co., Ltd.		148,213	9,615
China Railway Construction Investment (Liaoning) Highway Co., Ltd.		147,723	38,233
Shanghai Hongjun Real Estate Co., Ltd.		143,820	92,820
CRCC East China (Cixi) Construction Co., Ltd.		140,835	16
Jinan Kunlun Tougong North Construction Co., Ltd.		131,835	–
CRCC Investment Weifang City Development and Construction Co., Ltd.		128,468	108,217
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.		126,977	–
Hohhot Metro Line 2 Construction & Management Co., Ltd.		124,935	20,196
CRCC Kunlun Yunnan Real Estate Co., Ltd.		123,572	150,246
CRCC Real Estate Co., Ltd.		119,922	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Other payables (Continued)		
<i>Note 1</i>		
Guangzhou Hongxuan Real Estate Co., Ltd.	118,489	215,572
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	115,625	39,900
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	112,751	66,373
Xuanwei Jingyuan Environmental Protection Co., Ltd	108,052	59,982
Shijiazhuang Jiasheng Pipe Gallery Engineering Co., Ltd.	107,725	126,105
Sichuan Suide Expressway Co., Ltd.	106,952	46,860
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	104,574	84,545
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	84,449	140,567
Chongqing Yusui Fuxian Highway Co., Ltd.	74,309	264,447
Maanshan Zhengpu Port Railway Co., Ltd.	69,400	144,400
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	68,215	276,521
Guangzhou Hongjia Real Estate Co., Ltd.	66,899	186,852
Dalian Wancheng Zhiguang Real Estate Co., Ltd.	59,852	117,973
Changzhou Jingrui Real Estate Development Co., Ltd.	50,603	450,751
Chengdu China Railway Huafu Real Estate Co., Ltd.	50,108	146,242
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	38,092	122,181
Guizhou Jianli Highway Co., Ltd.	32,125	357,711
CRCC (Shandong) Gaodong Highway Co., Ltd.	5,962	240,248
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	5,278	113,377
Total	15,551,856	10,000,281
Advances to suppliers		
CRCC Financial Leasing Co., Ltd.	62,994	101,590
Total	62,994	101,590

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023	31 December 2022
Due to customers	<i>Note 5</i>		
CRCC JinLi Asset Management Co., Ltd.		560,642	756,517
CRCC Financial Leasing Co., Ltd.		204,035	298,160
Guangzhou Xintie Xinjian Investment Co., Ltd.		179,280	65,083
China Railway Construction Corporation		166,979	292,709
China-Africa Lekkil Investment Co., Ltd.		82,380	47,353
Guangzhou ShengDu Investment Development Co., Ltd.		61,540	46,207
Hangzhou Jiandejiang Investment Co., Ltd.		51,826	143,168
Ningbo Jingsheng Real Estate Co., Ltd.		147	1,500,543
Total		1,306,829	3,149,740
Long-term loans (including current portion)	<i>Note 6</i>		
China Railway Construction Corporation		1,423,276	1,297,366
Total		1,423,276	1,297,366
Lease liabilities (including current portion)			
CRCC Financial Leasing Co., Ltd.		1,796,707	1,544,252
China Railway Construction Corporation		37,001	40,565
Total		1,833,708	1,584,817

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Long-term payables (including current portion)		
Guoshu Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	578,311	609,083
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	440,839	457,450
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	374,943	553,082
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	349,362	683,961
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	345,708	433,861
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	158,582	–
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	137,419	241,753
CRCC Financial Leasing Co., Ltd.	74,563	31,607
Jintai infrastructure investment (Tianjin) partnership (limited partnership)	58,512	115,498
Guangde CRCC Blue Ocean Fengjian Investment Center (Limited Partnership)	–	78,705
Total	2,518,239	3,205,000

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

Note 1: The amounts due from/to related parties were interest-free, unsecured, and had no fixed terms of repayment.

Note 2: The amounts due from related parties were loans for cooperative development project from the Group's real estate development operation segments, with the interest rate agreed in the contracts.

Note 3: The amounts due from the Controlling Shareholder and associates were borrowings from CRCC Finance Company Limited.

Note 4: The amounts were mainly advances from related parties and were interest-free.

Note 5: The amounts due to the Group's related parties were deposits in CRCC Finance Company Limited.

Note 6: The amounts were appropriations from the Ministry of Finance to the Controlling Shareholder and considered as the entrusted loans granted to the Group by the Controlling Shareholder. The interest rate of such entrusted loans was determined by the Loan Prime Rate published by National Interbank Funding Center.

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

	31 December 2023	31 December 2022
<i>RMB'000</i>		
Contracted, but not provided for:		
Capital commitments	3,806,127	2,131,496
Investment commitments	69,708,257	69,984,621
Total	73,514,384	72,116,117

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XI. COMMITMENTS AND CONTINGENCIES (Continued)

3. Guarantees

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

	<i>RMB'000</i>	
The Group	31 December 2023	31 December 2022
Associates	1,750,507	2,142,874
Other entities	696,030	411,351
Total	2,446,537	2,554,225

The above guarantees exclude guarantees in respect of the banking facilities other than mortgages. As at 31 December 2023, the Group's guarantees (excluding guarantees in respect of the banking facilities other than mortgages) amounted to RMB2,446,537,000 (31 December 2022: RMB2,554,225,000), the guarantees in respect of mortgages amounted to RMB29,178,017,000 (31 December 2022: RMB31,799,286,000). Until now, the guarantees rarely defaulted payments to the banks, thus the Group considered the risks related to the guarantees were low and the fair value was immaterial.

The above guarantees in respect of mortgages were granted to the purchasers of the Group's properties and secured by the mortgages.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XI. COMMITMENTS AND CONTINGENCIES (Continued)

3. Guarantees (Continued)

The Company had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Company	31 December 2023	31 December 2022
Subsidiaries	11,710,103	17,063,311
Associates	–	454,548
Other entities	405,931	293,449
Total	12,116,034	17,811,308

In addition, no interest-bearing bank and other loans of the Company were guaranteed by the subsidiaries of the Company as at 31 December 2023 (31 December 2022: Nil).

XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Pursuant to the resolution approved in the 5th session of the 27th board of directors meeting of the Company held on 27 March 2024, the Board of Directors proposed that cash dividends may be distributed to all shareholders by the Company at RMB3.50 per 10 shares (i.e. cash dividend of RMB0.35 per share). The cash dividend of RMB4,752,840,000 is proposed to be distributed based on the issued shares of 13,579,541,500, and the above proposal is yet to be approved by the shareholders' general meeting.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS

1. Segment reporting

Operating segments

For management purposes, the Group is organised into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The planning, design and consultancy operations segment engages in the provision of planning, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- (3) The manufacturing operations segment engages in the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- (4) The real estate development operations segment engages in the development, construction and sale of residential properties and commercial properties; and
- (5) The other business operations segment mainly comprises trade and logistics, finance and insurance and highway operation service.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment reporting (Continued)

Operating segments (Continued)

RMB'000

	Construction operations	Planning, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
2023:							
Revenue from external customers	965,113,809	18,517,503	19,200,261	83,271,759	51,890,154	-	1,137,993,486
Inter-segment sales	22,210,694	236,476	4,799,079	-	43,975,629	(71,221,878)	-
Total	987,324,503	18,753,979	23,999,340	83,271,759	95,865,783	(71,221,878)	1,137,993,486
Share of profits/(losses) of joint ventures and associates	645,829	(459)	251,384	258,361	(590,128)	-	564,987
Impairment of credit losses and impairment losses on assets	(6,812,837)	(460,991)	(210,319)	(2,231,079)	(226,005)	-	(9,941,231)
Depreciation and amortisation	(17,719,957)	(412,263)	(1,435,871)	(297,078)	(1,440,790)	-	(21,305,959)
Profit before tax	26,625,512	3,934,581	2,555,303	3,021,722	2,378,500	312,534	38,828,152
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	27,038,439	789,407	3,645,677	2,569,184	8,068,428	-	42,111,135
Segment assets (Note 1)	1,211,379,893	39,089,326	58,104,235	379,148,288	352,244,035	(376,946,199)	1,663,019,578
Segment liabilities (Note 2)	954,493,054	14,809,678	30,876,710	311,123,245	297,137,937	(362,540,819)	1,245,899,805
Other disclosures:							
Long-term equity investments in joint ventures and associates	127,280,722	4,494,805	2,153,821	11,313,268	4,035,741	-	149,278,357

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment reporting (Continued)

Operating segments (Continued)

RMB'000

	Construction operations	Planning, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
2022:							
Revenue from external customers	939,366,100	20,181,756	21,747,067	62,253,669	52,764,275	-	1,096,312,867
Inter-segment sales	25,349,706	114,101	2,985,249	-	42,734,243	(71,183,299)	-
Total	964,715,806	20,295,857	24,732,316	62,253,669	95,498,518	(71,183,299)	1,096,312,867
Share of (losses)/profits of joint ventures and associates	(2,007,783)	(19,127)	190,235	429,315	278,162	-	(1,129,198)
Impairment of credit losses and impairment losses on assets	(6,112,637)	(163,265)	(30,749)	(1,945,245)	313,158	-	(7,938,738)
Depreciation and amortisation	(17,795,084)	(284,388)	(1,200,764)	(56,667)	(1,184,088)	-	(20,520,991)
Profit before tax	24,239,316	4,005,605	2,787,768	3,705,185	3,589,817	(503,229)	37,824,462
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	18,731,241	219,571	1,621,993	1,237,873	8,449,616	-	30,260,294
31 December 2022							
Segment assets (<i>Note 1</i>) (restated)	1,055,878,765	35,697,660	53,178,764	356,663,483	358,375,471	(335,880,562)	1,523,913,581
Segment liabilities (<i>Note 2</i>) (restated)	822,409,451	14,398,058	27,229,770	299,820,355	301,971,420	(327,835,525)	1,137,993,529
Other disclosures:							
Long-term equity investments in joint ventures and associates	108,629,494	3,678,874	1,997,313	10,247,930	3,431,627	-	127,985,238

Note 1: Segment assets do not include deferred tax assets of RMB11,211,912,000 (31 December 2022: RMB9,103,023,000) and advance payment of corporate income tax of RMB2,444,248,000 (31 December 2022: RMB2,002,157,000), as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB390,602,359,000 (31 December 2022: RMB346,985,742,000) are eliminated on consolidation.

Note 2: Segment liabilities do not include deferred tax liabilities of RMB2,008,603,000 (31 December 2022: RMB1,624,833,000) and corporate income tax payable of RMB4,279,976,000 (31 December 2022: RMB3,320,134,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB368,829,398,000 (31 December 2022: RMB332,780,492,000) are eliminated on consolidation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment reporting (Continued)

Group information

Geographical information

Revenue from external customers

	2023	2022
		<i>RMB'000</i>
Mainland China	1,077,683,620	1,042,234,340
Outside Mainland China	60,309,866	54,078,527
Total	1,137,993,486	1,096,312,867

Total non-current assets (Note)

	31 December 2023	31 December 2022
		<i>RMB'000</i>
Mainland China	301,995,741	266,759,538
Outside Mainland China	15,507,623	13,325,386
Total	317,503,364	280,084,924

In the geographical information above, revenue from external customers is based on the locations of the customers. Non-current asset information above is based on the locations of the non-current assets.

Note: Non-current assets consisted of investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, long-term prepaid expenses and investments in joint ventures and associates.

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer in 2023 (2022: did not derive more than 10% of its total revenue from any single customer).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information

(i) Pension scheme contributions

RMB'000

Item	2023	2022
Pension scheme contributions (defined contribution plans)	8,737,618	8,321,055
Pension scheme costs (defined benefit plans)	3,205	6,856

As at 31 December 2023, there were no forfeited contributions available to reduce the Group's contributions to its pension scheme in the next year (31 December 2022: Nil).

(ii) Directors' and supervisors' remuneration

RMB'000

Item	2023	2022
Salaries, housing welfare and other allowances and physical benefits	3,067	2,418
Performance bonus	5,303	6,562
Defined contribution plan	1,142	838
Total	9,512	9,818

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of independent non-executive directors for the current year are as follows:

	<i>RMB'000</i>	
Item	2023	2022
Independent Non-executive Directors		
Mr. MA Chuanjing	80	67
Mr. ZHAO Lixin	80	67
Mr. XIE Guoguang	80	67
Mr. TSIN Wai Lun Kenneth	127	146
Total	367	347

The fees of the above independent non-executive directors represent remuneration paid in respect of their services as directors of the Company. There was no other remuneration payable to the independent non-executive directors during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of directors and supervisors for the current year are as follows:

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
2023				
Executive director				
Mr. WANG Jianping (board chairman) (Note 1)	342	697	155	1,194
Mr. WANG Lixin (president) (Note 2)	328	638	147	1,113
Mr. ZHUANG Shangbiao (president) (Note 3)	232	576	95	903
Mr. Ni Zhen (Note 2)	315	617	147	1,079
Mr. CHEN Dayang (Note 4)	193	500	78	771
Mr. LIU Ruchen (Note 1)	314	616	150	1,080
Sub-total	1,724	3,644	772	6,140

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of directors and supervisors for the current year are as follows: (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
Non-executive director	-	-	-	-
Mr. GAO Lieyang (Note 5)	-	-	-	-
Sub-total	-	-	-	-
Independent non-executive director				
Mr. MA Chuanjing	60	20	-	80
Mr. ZHAO Lixin	60	20	-	80
Mr. XIE Guoguang	60	20	-	80
Mr. TSIN Wai Lun Kenneth	127	-	-	127
Sub-total	307	60	-	367
Supervisor				
Mr. ZHAO Wei	324	552	125	1,001
Mr. LIU Zhengchang	368	537	122	1,027
Mr. KANG Fuxiang	344	510	123	977
Sub-total	1,036	1,599	370	3,005
Total	3,067	5,303	1,142	9,512

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
2022				
Executive director				
Mr. WANG Jianping (board chairman)	314	1,012	131	1,457
Mr. ZHUANG Shangbiao (president)	314	1,432	129	1,875
Mr. CHEN Dayang	279	1,299	124	1,702
Mr. LIU Ruchen	279	1,255	122	1,656
Sub-total	1,186	4,998	506	6,690
Non-executive director				
Mr. GAO Lieyang (Note 5)	-	-	-	-
Sub-total	-	-	-	-
Independent non-executive director				
Mr. MA Chuanjing	65	2	-	67
Mr. ZHAO Lixin	65	2	-	67
Mr. XIE Guoguang	65	2	-	67
Mr. TSIN Wai Lun Kenneth	146	-	-	146
Sub-total	341	6	-	347

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
Supervisor				
Mr. ZHAO Wei	267	599	111	977
Mr. LIU Zhengchang	316	471	110	897
Mr. KANG Fuxiang	308	488	111	907
Sub-total	891	1,558	332	2,781
Total	2,418	6,562	838	9,818

Note 1: On 28 December 2023, Mr. WANG Jianping, the Chairman and the Executive Director, ceased to hold the positions of the Chairman, the Executive Director, and the Chairman of Nomination Committee of the Board of Directors of the Company due to age reasons; Mr. LIU Ruchen, the Executive Director, ceased to hold the position of the Executive Director and a member of Strategy and Investment Committee of the Board of Directors of the Company due to age reasons.

Note 2: On 22 September 2023, the resolution of the first interim general meeting of shareholders voted to add Mr. WANG Lixin and Mr. Ni Zhen as Executive Directors of the Company. On 31 August 2023, the 18th meeting of the fifth Board of Directors deliberated to approve the engagement of Mr. WANG Lixin as the new President of the Company.

Note 3: On 29 August 2023, Mr. ZHUANG Shangbiao, the Executive Director and the President, ceased to hold the positions of the Executive Director, the President, and the Chairman of Strategy and Investment Committee of the Board of Directors of the Company due to age reasons.

Note 4: On 1 August 2023, Mr. CHEN Dayang, the Executive Director, ceased to serve as an Executive Director and a member of Nomination Committee of the Board of Directors of the Company due to age reasons.

Note 5: The Director, Gao Lieyang, is a full-time external director of the State-owned Assets Supervision and Administration Commission of the State Council and does not receive any compensation from the Company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Top 5 paid employees

The analysis of top 5 paid employees of the Group is as follows:

	2023	2022
Employee that is neither a director nor a supervisor	5	5

Details of remuneration of the above employee that is neither a director nor a supervisor:

	2023	2022
Salaries, housing welfare and other allowances and physical benefits	3,994	1,634
Performance bonus	14,887	17,879
Defined contribution plan	725	546
Total	19,606	20,059

RMB'000

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Top 5 paid employees (Continued)

Number of employees that is neither a director nor a supervisor of the following remuneration ranges is as follows:

Item	2023	2022
HKD2,500,000 to 3,000,000 (including 3,000,000)	–	–
HKD3,000,000 to 3,500,000 (including 3,500,000)	–	–
HKD3,500,000 to 4,000,000 (including 4,000,000)	1	–
HKD4,000,000 to 4,500,000 (including 4,500,000)	3	4
HKD4,500,000 to 5,000,000 (including 5,000,000)	1	1
Over HKD5,000,000	–	–
Total	5	5

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Aging	31 December 2023	31 December 2022
Within 1 year	2,710,101	2,216,771
1 to 2 years	170,555	23,889
2 to 3 years	3,045	–
Subtotal	2,883,701	2,240,660
Less: Impairment of credit losses	29,640	20,325
Total	2,854,061	2,220,335

Trade receivables and impairment of credit losses by category are listed as follows:

RMB'000

Category	31 December 2023		31 December 2023		Carrying amount
	Gross carrying amount Amount	Percentage %	Impairment of credit losses Amount	Percentage %	
Impairment of credit losses assessed by credit risk portfolio	2,883,701	100.00	29,640	1.03	2,854,061
Total	2,883,701	100.00	29,640	1.03	2,854,061

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Trade receivables (Continued)

RMB'000

Category	Gross carrying amount		31 December 2022 Impairment of credit losses		Carrying amount
	Amount	Percentage %	Amount	Percentage %	
Impairment of credit losses assessed by credit risk portfolio	2,240,660	100.00	20,325	0.91	2,220,335
Total	2,240,660	100.00	20,325	0.91	2,220,335

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio are listed as follows:

Portfolio 1:

RMB'000

Aging	31 December 2023			
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)
Within 1 year	2,710,101	93.98	26,970	1.00
1 to 2 years	170,555	5.91	2,242	1.31
2 to 3 years	3,045	0.11	428	14.06
Total	2,883,701	100.00	29,640	1.03

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Trade receivables (Continued)

As at 31 December 2023, trade receivables and contract assets from the five largest debtors are listed as follows:

RMB'000

Due from	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of provision for bad debts
Company 1	1,236,560	317,747	1,554,307	25.99	15,543
Company 2	558,045	653	558,698	9.34	5,724
Company 3	340,199	49,272	389,471	6.51	3,895
Company 4	253,080	53,975	307,055	5.13	2,327
Company 5	169,139	121,638	290,777	4.87	2,051
Total	2,557,023	543,285	3,100,308	51.84	29,540

As at 31 December 2023 and 31 December 2022, no amount due from shareholders that held 5% or more of the Company's voting rights or other related parties was included in the aforesaid balance of trade receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables

An aging analysis of other receivables is listed as follows:

	<i>RMB'000</i>	
Aging	31 December 2023	31 December 2022
Within 1 year	17,049,773	23,951,909
1 to 2 years	468,644	468,075
2 to 3 years	277,350	1,453,659
Over 3 years	1,191,119	773,819
Subtotal	18,986,886	26,647,462
Less: Impairment of credit losses	1,305	495
Total	18,985,581	26,646,967

Provision for impairment of credit losses are as follows:

- (1) As at 31 December 2023, the Company did not have other receivables at phase II.
- (2) As at 31 December 2023, the Company did not have other receivables at phase III.

In 2023, no other receivables have been written off. (2022: Nil)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

As at 31 December 2023, other receivables from the five largest customers are listed as follows:

RMB'000

Due from	Relationship with the Company	Amount	Aging	Percentage of total other receivables (%)
Company 1	Subsidiaries	5,025,476	Within 1 year	26.47
Company 2	Subsidiaries	3,207,143	Within 2 years	16.89
Company 3	Subsidiaries	2,285,584	Within 4 years	12.04
Company 4	Subsidiaries	1,549,226	Within 2 years	8.16
Company 5	Subsidiaries	1,467,124	Within 5 years	7.73
Total	–	13,534,553	–	71.29

As at 31 December 2023 and 31 December 2022, no amount due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of trade receivables.

3. Long-term equity investments

RMB'000

Item		31 December 2023	31 December 2022
Equity investment under cost method			
– Subsidiaries	(i)	103,305,853	102,246,493
Total		103,305,853	102,246,493

Note: All the long-term equity investments are investments in unlisted companies, except for CRCC High-Tech Equipment Corporation Limited and China Railway Construction Heavy Industry Corporation Limited.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Civil Engineering Construction Corporation	2,946,507	-	-	2,946,507	100.00	Co., Ltd
China Railway 11th Bureau Group Co., Ltd.	1,893,912	-	-	1,893,912	81.62	Co., Ltd
China Railway 12th Bureau Group Co., Ltd.	1,957,277	-	-	1,957,277	100.00	Co., Ltd
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,660,480	-	-	2,660,480	100.00	Co., Ltd
China Railway 14th Bureau Group Co., Ltd.	2,130,105	-	-	2,130,105	79.02	Co., Ltd
China Railway 15th Bureau Group Co., Ltd.	1,585,152	-	-	1,585,152	100.00	Co., Ltd
China Railway 16th Bureau Group Co., Ltd.	1,482,412	-	-	1,482,412	100.00	Co., Ltd
China Railway 17th Bureau Group Co., Ltd.	1,735,340	-	-	1,735,340	100.00	Co., Ltd
China Railway 18th Bureau Group Co., Ltd.	1,103,234	-	-	1,103,234	80.30	Co., Ltd
China Railway 19th Bureau Group Co., Ltd.	3,954,638	-	-	3,954,638	100.00	Co., Ltd
China Railway 20th Bureau Group Co., Ltd.	1,615,144	-	-	1,615,144	70.41	Co., Ltd
China Railway 21st Bureau Group Co., Ltd.	1,557,251	-	-	1,557,251	100.00	Co., Ltd
China Railway 22nd Bureau Group Co., Ltd.	1,295,286	-	-	1,295,286	100.00	Co., Ltd
China Railway 23rd Bureau Group Co., Ltd.	1,545,004	-	-	1,545,004	100.00	Co., Ltd
China Railway 24th Bureau Group Co., Ltd.	1,346,917	-	-	1,346,917	100.00	Co., Ltd
China Railway 25th Bureau Group Co., Ltd.	1,348,597	-	-	1,348,597	100.00	Co., Ltd
China Railway Construction Group Co., Ltd.	2,868,346	-	-	2,868,346	85.64	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Electrification Bureau Group Co., Ltd.	1,105,530	-	-	1,105,530	100.00	Co., Ltd
China Railway Construction Real Estate Group Co., Ltd.	7,233,191	-	-	7,233,191	100.00	Co., Ltd
China Railway First Survey and Design Institute Group Co., Ltd.	623,730	30,000	-	653,730	100.00	Co., Ltd
China Railway SIYUAN Survey and Design Group Co., Ltd. (Note 4)	1,087,809	520,000	-	1,607,809	100.00	Co., Ltd
China Railway Fifth Survey and Design Institute Group Co., Ltd.	338,196	-	-	338,196	100.00	Co., Ltd
China Railway Shanghai Design Institute Group Co., Ltd.	267,624	-	-	267,624	100.00	Co., Ltd
China Railway Material Group Co., Ltd. (Note 1)	3,314,805	92,779	-	3,407,584	100.00	Co., Ltd
CRCC High-Tech Equipment Corporation Limited	1,714,797	-	-	1,714,797	63.70	Corporation Limited
China Railway Construction Heavy Industry Corporation Limited	4,028,004	-	-	4,028,004	71.93	Corporation Limited
China Railway Construction Business Management Co., Ltd.	28,313	-	-	28,313	100.00	Co., Ltd
China Railway Construction Investment Group Co., Ltd.	10,538,793	-	-	10,538,793	87.34	Co., Ltd
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd.	1,385,891	-	-	1,385,891	100.00	Co., Ltd
CRCC Finance Company Limited	8,460,000	-	-	8,460,000	94.00	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Corporation (International) Limited	3,012,602	-	-	3,012,602	100.00	Co., Ltd
China Railway Urban Construction Group Co., Ltd.	2,000,000	-	-	2,000,000	71.69	Co., Ltd
Beijing CRCC Tianrui Machinery Equipment Co., Ltd.	2,000,000	-	-	2,000,000	98.04	Co., Ltd
CRCC Kunlun Investment Group Co., Ltd.	3,600,000	-	-	3,600,000	70.77	Co., Ltd
CRCC Huabei Investment & Development Co., Ltd. (Note 2, Note 3)	1,000,000	-	1,000,000	-	-	Co., Ltd
China Railway Construction Xiong'an Investment Development Co., Ltd. (Note 2)	-	1,000,000	-	1,000,000	100.00	Co., Ltd
China Railway Construction Transportation Operation Group Co., Ltd. (Note 3)	-	1,000,000	-	1,000,000	100.00	Co., Ltd
CRCC Southern Construction and Investment Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
CRCC South China Investment Co., Ltd.	435,442	-	-	435,442	100.00	Co., Ltd
China Railway Maglev Transportation Investment Construction Co., Ltd. (Note 4)	500,000	-	500,000	-	-	Co., Ltd
China Railway Construction South China Construction Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
China Railway Construction Northwest Investment & Construction Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
China Railway Construction City Construction Investment Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Eastern China Investment & Construction Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd
CRCC International Investment Co., Ltd.	3,000,000	-	-	3,000,000	100.00	Co., Ltd
CRCC Development Group Co., Ltd.	1,498,690	-	-	1,498,690	100.00	Co., Ltd
CRCC North Investment & Construction Co., Ltd.	200,000	-	-	200,000	100.00	Co., Ltd
CRCC Yellow River Investment & Construction Co., Ltd.	1,110,000	-	-	1,110,000	100.00	Co., Ltd
CRCC Capital Holdings Group Co., Ltd. (Note 1)	3,633,290	-	83,419	3,549,871	100.00	Co., Ltd
China Railway Construction Treasury Management (Hong Kong) Co., Ltd	4,184	-	-	4,184	100.00	Co., Ltd
China Railway Construction Southwest Investment Co., Ltd.	100,000	-	-	100,000	100.00	Co., Ltd
Total	102,246,493	2,642,779	1,583,419	103,305,853	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

Note 1: In 2023, the Company made contribution to China Railway Material Group Co., Ltd by transferring 100% shares in CRCC Financial Services & Technology (TIANJIN) Co., Ltd. with its net assets of RMB83,419,000 held by CRCC Capital Holdings Group Co., Ltd to it, and made an additional capital contribution of RMB9,360,000 by cash.

Note 2: In 2023, the Company acquired 100% shares in China Railway Construction Xiong'an Investment Development Co., Ltd. from CRCC Huabei Investment & Development Co., Ltd., a subsidiary of the Company, and China Railway Construction Xiong'an Investment Development Co., Ltd. became a subsidiary directly held by the Company.

Note 3: In 2023, the Company transferred 100% shares in CRCC Huabei Investment & Development Co., Ltd. to China Railway Construction Transportation Operation Group Co., Ltd.

Note 4: In 2023, the Company and its subsidiary CRCC Development Group Co., Ltd. transferred 50% shares in China Railway Maglev Transportation Investment Construction Co., Ltd. to China Railway SIYUAN Survey and Design Group Co., Ltd.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Other payables

Other payables are disclosed by category:

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Payables for advances	10,596,191	17,163,229
Centralised funds payable	2,777,363	2,818,475
Dividends payable	453,598	426,236
Guarantees and deposits	86,212	55,819
Others	514,004	434,253
Total	14,427,368	20,898,012

5. Long-term loans

	<i>RMB'000</i>	
Item	31 December 2023	31 December 2022
Credit loans	3,734,276	3,708,802
Total	3,734,276	3,708,802

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

5. Long-term loans (Continued)

The maturity profile of the long-term loans as at the balance sheet date is listed as follows:

RMB'000

Item	31 December 2023	31 December 2022
Within one year or paid on demand	406,000	391,564
In the second year (inclusive)	1,189,276	1,506,000
In the third year (inclusive)	1,290,600	757,802
Over three years	1,254,400	1,445,000
Total	4,140,276	4,100,366

6. Revenue and cost of sales

Revenue is presented as follows:

RMB'000

Item	2023	2022
Revenue from principal operations	11,034,155	8,686,578
Other operating revenue	628,976	1,067,990
Total	11,663,131	9,754,568

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

6. Revenue and cost of sales (Continued)

Operating cost is presented as follows:

	<i>RMB'000</i>	
Item	2023	2022
Operating cost	11,111,331	8,542,489

7. Finance costs

	<i>RMB'000</i>	
Item	2023	2022
Interest expenses	633,119	630,677
Less: Interest income	2,903,756	3,123,900
Exchange (gains)/losses	(20,536)	914,414
Bank charges and others	5,492	6,909
Total	(2,285,681)	(1,571,900)

8. Investment income

	<i>RMB'000</i>	
Item	2023	2022
Investment income received from long-term equity investments under cost method	10,156,089	11,488,547
Others	15,360	16,020
Total	10,171,449	11,504,567

For the year ended 31 December 2023, the investment income mentioned above was composed of investment income of RMB438,537,000 (2022: RMB401,656,000) from listed companies and RMB9,732,912,000 from unlisted companies (2022: RMB11,102,911,000).

As at 31 December 2023, the remittance of the Company's investment income was not subject to significant restriction.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

9. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Item	2023	2022 (restated)
<i>RMB'000</i>		
Reconciliation of net profit to cash flows from operating activities:		
Net profit	11,679,665	13,425,999
Plus: Impairment of credit losses	(9,584)	(1,326)
Impairment losses on assets	17,715	81,889
Depreciation of fixed assets	17,345	13,451
Amortisation of intangible assets	22,844	17,624
Amortisation of long-term prepayments	2,233	1,367
Depreciation of right-of-use assets	32,215	31,983
Gains from disposal of fixed assets, intangible assets and other long-term assets	–	(2)
Losses on retirement of fixed assets	247	196
Losses from changes in fair value	7,672	20,298
Finance costs	558,771	1,510,264
Investment income	(10,171,449)	(11,504,567)
Decrease in deferred tax assets	303	3,207
Increase in deferred tax liabilities	(7,292)	(7,893)
Decrease/(increase) in inventories	625	(2,137)
Decrease in contract assets	924,001	242,957
Decrease in operating receivables	3,413,631	2,586,524
Decrease in operating payables	(71,544)	(47,180)
Net cash flows generated from operating activities	6,417,398	6,372,654

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

9. Supplementary information to the statement of cash flows (Continued)

(2) Cash and cash equivalents

RMB'000

Item	31 December 2023	31 December 2022
Cash	20,064,143	18,757,618
Including: Cash on hand	–	3
Cash with banks/financial institutions without restrictions	20,064,143	18,757,615
Closing balance of cash and cash equivalents	20,064,143	18,757,618

10. Related party transactions

(1) Significant transactions between the Company and its related parties

RMB'000

Item	2023	2022
(1) Revenue from other related party transactions		
Subsidiaries	3,466,170	4,148,879
Other related parties	107,790	706,634
Total	3,573,960	4,855,513
(2) Purchase of goods and receipt of services		
Subsidiaries	10,967,730	8,207,810
Total	10,967,730	8,207,810
(3) Other expenses		
Subsidiaries	446,906	521,684
Other related parties	40,173	46,949
Total	487,079	568,633

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

10. Related party transactions (Continued)

(2) Balance due to/from related parties

RMB'000

Item	31 December 2023		31 December 2022	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Trade receivables				
Other related parties	63,544	2,369	290,006	2,004
Total	63,544	2,369	290,006	2,004
Other receivables				
Subsidiaries	13,953,132	–	22,528,960	–
Other related parties	–	–	–	–
Total	13,953,132	–	22,528,960	–
Advances to suppliers				
Subsidiaries	399,824	–	293,606	–
Total	399,824	–	293,606	–
Cash and bank balances				
Subsidiaries	14,518,618	–	12,710,303	–
Total	14,518,618	–	12,710,303	–
Long-term receivables				
Subsidiaries	39,754,253	–	37,676,300	–
Total	39,754,253	–	37,676,300	–
Current portion of non-current assets				
Subsidiaries	10,800,000	–	9,563,953	–
Total	10,800,000	–	9,563,953	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

10. Related party transactions (Continued)

(2) Balance due to/from related parties (Continued)

RMB'000

Item	31 December 2023	31 December 2022
Trade payables		
Subsidiaries	9,318,051	8,080,266
Total	9,318,051	8,080,266
Other payables		
Subsidiaries	13,358,158	20,138,806
Other related parties	55,680	55,680
Total	13,413,838	20,194,486
Long-term loans		
Other related parties	1,103,276	991,802
Total	1,103,276	991,802
Non-current liabilities due within one year		
Subsidiaries	127,050	820,047
Other related parties	320,000	305,564
Total	447,050	1,125,611
Long-term payables		
Subsidiaries	2,984,682	2,103,345
Total	2,984,682	2,103,345

Supplementary Information

For the year ended 31 December 2023

XV. SUPPLEMENTARY INFORMATION

1. Summary of non-recurring profit or loss

	<i>RMB'000</i>	
Item	2023	2022
Gains from disposal of non-current assets	671,460	76,037
Gains from disposal of long-term equity investments	199,416	931,593
Investment income from remeasurement of the remaining shares at fair value after disposal of part of shares	—	673,461
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition	86,614	81,826
Government grants recognised through profit or loss (other than government grants which are closely related to the company's normal business operations, and compliant with national policies and regulations, available according to determined requirements, and have a continuous impact on the company's profit or loss)	880,303	931,515
Gains from the re-measurement at fair value of originally held equity when controls of subsidiaries commence	101	172,505
Net gains from debt restructuring	106,794	118,584
Investment income from holding and disposal of held-for-trading financial assets and other financial assets	243,559	140,316
Investment income from holding the other equity instrument investments	116,607	99,537
Gains/(losses) on fair value changes	(643,564)	(462,611)
Reversal of impairment of receivables	360,495	398,676
Other non-operating income and expenses other than the above items	60,459	203,579
Impact on income tax	(448,312)	(758,032)
Impact on non-controlling interests (after tax)	(117,403)	(53,633)
Non-recurring profit or loss	1,516,529	2,553,353

Supplementary Information (continued)

For the year ended 31 December 2023

XV. SUPPLEMENTARY INFORMATION (Continued)

2. Return on net assets and earnings per share (“EPS”)

2023:

	Weighted average return on net assets (%)	EPS (RMB)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	9.80	1.73	1.73
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	9.17	1.62	1.62

2022:

	Weighted average return on net assets (%) (restated)	EPS (RMB)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	11.07	1.76	1.76
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	9.89	1.57	1.57

The above weighted average return on equity and earnings per share are calculated in accordance with *Information Disclosure by Companies Offering Securities to the Public No.9 - Calculation and Disclosure of Return on Equity and Earnings Per Share* (Revised in 2010).

Section XII Five Years' Financial Summary

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Unit: '000 Currency: RMB

Item	2023	2022	2021	2020	2019
Revenue	1,137,993,486	1,096,312,867	1,020,010,179	910,324,763	830,452,157
Cost of sales	1,019,683,082	985,747,674	922,126,888	825,987,266	750,365,068
Taxes and surcharges	4,296,937	4,173,433	3,622,907	3,733,320	4,633,550
Selling and distribution expenses	7,377,871	6,642,387	6,147,103	5,667,867	5,432,855
General and administrative expenses	23,466,318	21,873,045	20,741,919	19,038,444	18,151,260
Research and development expenses	26,725,454	25,003,936	20,253,956	18,605,952	16,527,801
Finance costs	4,661,449	3,578,296	3,683,532	3,496,636	3,632,348
Other income	954,634	1,098,735	1,063,418	941,516	415,139
Investment income	-4,229,965	-4,665,935	-193,604	-686,098	-420,036
Gains on fair value change	-643,564	-462,611	-243,222	105,833	656,543
Impairment losses on assets	-3,461,187	-3,050,914	-1,589,571	-1,023,339	-1,893,643
Impairment of credit losses	-6,480,044	-4,887,824	-8,276,911	-2,701,879	-3,117,515
Gains on disposal of assets	671,460	76,037	620,422	589,278	279,016
Operating profit	38,593,709	37,401,584	34,814,406	31,020,589	27,628,779
Non-operating income	980,751	1,183,193	1,111,804	1,068,358	974,713
Non-operating expenses	746,308	760,315	774,791	598,395	576,842
Net non-operating income and expenditure	234,443	422,878	337,013	469,963	397,871
Profit before tax	38,828,152	37,824,462	35,151,419	31,490,552	28,026,650
Income tax expenses	6,499,423	6,030,172	5,866,838	5,781,878	5,402,959
Net profit	32,328,729	31,794,290	29,284,581	25,708,674	22,623,691
Net profit attributable to shareholders of the Company	26,096,971	26,680,796	24,666,191	22,392,983	20,197,378
Profit or loss attributable to non-controlling interests	6,231,758	5,113,494	4,618,390	3,315,691	2,426,313
Basic earnings per share	1.73	1.76	1.60	1.50	1.40
Diluted earnings per share	1.73	1.76	1.59	1.44	1.33

Section XII Five Years' Financial Summary (continued)

TOTAL CONSOLIDATED ASSETS AND LIABILITIES

Unit: '000 Currency: RMB

Item	2023	2022	2021	2020	2019
Total assets	1,663,019,578	1,523,913,581	1,352,908,366	1,242,792,799	1,081,239,213
Total liabilities	1,245,899,805	1,137,993,529	1,006,552,693	929,153,709	819,217,639
Total shareholders' equity	417,119,773	385,920,052	346,355,673	313,639,090	262,021,574

Board chairman: **DAI Hegen**

Submission Date Approved by the Board: 28 March 2024

Modification information

Applicable Not Applicable

By order of the Board
China Railway Construction Corporation Limited
Chairman
DAI Hegen

Beijing, the PRC
28 March 2024

As at the date of this announcement, the board of directors comprises Mr. DAI Hegen (Chairman and Executive Director), Mr. WANG Lixin (President and Executive Director), Mr. NI Zhen (Executive Director), Mr. GAO Lieyang (Non-executive Director), Mr. MA Chuanjing (Independent Non-executive Director), Mr. ZHAO Lixin (Independent Non-executive Director), Mr. XIE Guoguang (Independent Non-executive Director) and Mr. TSIN Wai Lun Kenneth (Independent Non-executive Director).