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## **Canggang Railway Limited**

**滄港鐵路有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2169)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025; AND RESIGNATION OF NON-EXECUTIVE DIRECTOR**

#### **ANNUAL RESULTS**

The Board of Canggang Railway Limited is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

#### **FINANCIAL HIGHLIGHTS**

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue	<b>278,161</b>	258,934
Operating profit	<b>104,028</b>	106,251
Profit before taxation	<b>75,413</b>	76,662
Profit for the year	<b>57,525</b>	55,082
Earnings per share, basic and diluted (RMB cents)	<b>1.50</b>	1.47

No final dividend for the year ended 31 December 2025 was proposed by the Board to the Shareholders (for the year ended 31 December 2024: RMB0.6 cents per share).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Revenue</b>	3	<b>278,161</b>	258,934
<b>Operating expenses:</b>			
Staff costs	5(b)	<b>(61,099)</b>	(54,945)
Outsourcing service charges and other labor costs		<b>(22,059)</b>	(20,860)
Cargo logistics		<b>(27,563)</b>	(24,131)
Depreciation	5(c)	<b>(34,444)</b>	(35,671)
Fuel used		<b>(23,944)</b>	(23,502)
Repairs and maintenance		<b>(14,425)</b>	(14,225)
General and administration expenses		<b>(9,412)</b>	(9,945)
Impairment (loss)/reversal of trade receivables		<b>(3,437)</b>	56
Other expenses		<b>(8,188)</b>	(10,343)
Total operating expenses		<b>(204,571)</b>	(193,566)
Other income, net	4	<b>30,438</b>	40,883
<b>Operating profit</b>		<b>104,028</b>	106,251
Finance costs	5(a)	<b>(28,611)</b>	(29,589)
Share of loss of an associate		<b>(4)</b>	–
<b>Profit before taxation</b>	5	<b>75,413</b>	76,662
Income tax	6	<b>(17,888)</b>	(21,580)
<b>Profit for the year</b>		<b>57,525</b>	55,082
<b>Attributable to:</b>			
Equity owners of the Company		<b>57,882</b>	56,461
Non-controlling interests		<b>(357)</b>	(1,379)
<b>Profit for the year</b>		<b>57,525</b>	55,082
<b>Earnings per share (RMB cents)</b>			
– Basic and diluted	8	<b>1.50</b>	1.47

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>57,525</b>	55,082
<b>Other comprehensive income for the year (after tax):</b>		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency of the Group	(129)	(1,167)
<b>Total comprehensive income for the year</b>	<b>57,396</b>	53,915
<b>Attributable to:</b>		
Equity owners of the Company	57,753	55,294
Non-controlling interests	(357)	(1,379)
<b>Total comprehensive income for the year</b>	<b>57,396</b>	53,915

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		879,347	776,932
Right-of-use assets		210,983	189,009
Interest in an associate		16	–
Financial assets at fair value through profit or loss	11	72,108	38,418
Deferred tax assets		836	961
Prepayments and other receivables	10	7,648	39,273
		<b>1,170,938</b>	1,044,593
<b>Current assets</b>			
Inventories		73,497	46,664
Trade and bills receivables	9	76,178	81,274
Prepayments and other receivables	10	39,990	46,026
Cash and cash equivalents		108,048	155,992
		<b>297,713</b>	329,956
<b>Current liabilities</b>			
Bank and other loans	15	217,138	157,155
Trade payables	12	23,666	23,444
Other payables	13	9,162	7,709
Contract liabilities	14	23,611	6,269
Deferred income		1,105	–
Current taxation		4,835	8,365
		<b>279,517</b>	202,942
<b>Net current assets</b>		<b>18,196</b>	127,014
<b>Total assets less current liabilities</b>		<b>1,189,134</b>	1,171,607
<b>Non-current liabilities</b>			
Bank and other loans	15	315,840	364,612
Deferred income		32,054	–
		<b>347,894</b>	364,612
<b>NET ASSETS</b>		<b>841,240</b>	806,995
<b>CAPITAL AND RESERVES</b>			
Share capital		8,607	8,607
Reserves		805,239	770,637
<b>Total equity attributable to equity owners of the Company</b>		<b>813,846</b>	779,244
<b>Non-controlling interests</b>		<b>27,394</b>	27,751
<b>TOTAL EQUITY</b>		<b>841,240</b>	806,995

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1 CORPORATE INFORMATION

Canggang Railway Limited (the “Company”) was incorporated in the Cayman Islands on 19 October 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 23 October 2020. The Company and its subsidiaries are principally engaged in the provision of rail freight transportation and related ancillary services by operating freight railway and railway yards in the People’s Republic of China (the “PRC”).

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except for certain financial instruments which are measured at their fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

**(c) Changes in accounting policies**

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

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 *Lack of Exchangeability*

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

**3 REVENUE**

The Group is principally engaged in the provision of rail freight transportation and related ancillary services by operating freight railway and railway yards. All of the revenue of the Group is recognised over time.

(i) Disaggregation of revenue from contracts with customers by major service lines is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers</b>		
Disaggregated by major service lines:		
Rail freight transportation	<b>236,189</b>	222,443
Ancillary services		
– Loading and unloading	<b>26,651</b>	27,473
– Road freight transportation	<b>1,226</b>	939
– Construction, maintenance and repair	<b>7,052</b>	6,963
– Others	<b>7,043</b>	1,116
Subtotal	<b>41,972</b>	36,491
	<b>278,161</b>	258,934

- (ii) For the years ended 31 December 2025 and 2024, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years are set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	90,128	82,017
Customer B	40,116	47,025
Customer C	*	31,386
	<u>          </u>	<u>          </u>

\* Transactions with these customers did not exceed 10% of the Group's revenue in the respective years.

#### 4 OTHER INCOME, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Gain on financial assets at fair value through profit or loss, net	33,690	19,453
Net (loss)/income on trading business	(5,409)	11,666
Consultation service income	–	5,697
Government grants	262	282
Interest income from bank deposits	755	1,806
Gain on lease remeasurement	–	1,384
Interest income from a loan to a third party	–	213
Net gains/(losses) on disposal of property, plant and equipment	734	(160)
Others	406	542
	<u>          </u>	<u>          </u>
	<u>30,438</u>	<u>40,883</u>

#### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

##### (a) Finance costs:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Total interest expense on bank and other loans	<u>28,611</u>	<u>29,589</u>

<b>(b) Staff costs:</b>		
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Salaries, wages and other benefits	<b>53,703</b>	48,446
Contributions to defined contribution retirement plans	<b>7,396</b>	6,499
	<u><b>61,099</b></u>	<u>54,945</u>
<b>(c) Other items:</b>		
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Depreciation		
– property, plant and equipment	<b>29,400</b>	31,219
– right-of-use assets	<b>5,097</b>	4,465
	<u><b>34,497</b></u>	<u>35,684</u>
Less: depreciation capitalised in the cost of qualifying assets	<u><b>(53)</b></u>	<u>(13)</u>
	<u><b>34,444</b></u>	<u>35,671</u>
Short-term lease charges with remaining lease term of not more than 12 months	<b>42</b>	99
Auditors' remuneration		
– annual audit services	<b>847</b>	870
Cost of inventories	<b>24,233</b>	24,176
	<u><b>24,233</b></u>	<u>24,176</u>

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Current tax</b>		
Provision for the year	<b>18,233</b>	16,231
Over-provision in previous years	<b>(470)</b>	(71)
	<u><b>17,763</b></u>	<u>16,160</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u><b>125</b></u>	<u>5,420</u>
	<u><b>17,888</b></u>	<u>21,580</u>

## 7 DIVIDENDS

### (i) Dividends payable to owners of the Company attributable to the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period of RMB nil cent per ordinary share (2024: RMB0.6 cent)	—	24,000

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### (ii) Dividends payable to equity shareholders of the Company attributable to the previous year, approved and paid during the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous year, approved and paid during the year, of RMB0.6 cent per ordinary share (2024: RMB0.6 cent)	23,151	22,001

## 8 EARNINGS PER SHARE

### (a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2025 is calculated based on the profit attributable to owners of the Company of RMB[57,882,000] and (2024: RMB56,461,000) and the weighted average of 3,847,792,000 ordinary shares in issue during the year (2024: 3,847,792,000 ordinary shares in issue during the year).

### (b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2025 and 2024.

## 9 TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	72,260	58,261
Bills receivables	<u>3,918</u>	<u>23,013</u>
	<u><u>76,178</u></u>	<u><u>81,274</u></u>

*Note:*

- (i) All of the trade and bills receivables, net of loss allowance, are expected to be recovered within one year.

### **Aging analysis**

At the end of the reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	33,775	32,304
1-6 months	18,154	14,755
6-12 months	9,677	8,597
More than 12 months	<u>10,654</u>	<u>2,605</u>
	<u><u>72,260</u></u>	<u><u>58,261</u></u>

Trade receivables are mainly due within 30 days from the date of billing. Bills receivables are with maturity of within 180 days.

**10 PREPAYMENTS AND OTHER RECEIVABLES**

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Receivables relating to disposal of property, plant and equipment	<b>2,364</b>	2,884
Receivables relating to disposal of an associate	–	700
Other receivables	<b>3,694</b>	3,088
	<hr/>	<hr/>
Financial assets measured at amortised cost	<b>6,058</b>	6,672
	<hr/>	<hr/>
Value-added tax recoverable	<b>15,426</b>	1,374
Prepayments for constructions	<b>7,648</b>	39,273
Deposits for other purpose	<b>1,389</b>	1,480
Prepayments for purchase of inventories and prepaid expenses	<b>17,117</b>	36,500
	<hr/>	<hr/>
	<b>47,638</b>	85,299
	<hr/>	<hr/>
Less: Non-current portion		
– Prepayments for constructions ( <i>Note</i> )	<b>(7,648)</b>	(39,273)
	<hr/>	<hr/>
Current portion of prepayments and other receivables	<b>39,990</b>	46,026
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

Except for the non-current portion of prepayments for constructions, other prepayments and other receivables, net of loss allowance, are expected to be recovered or recognised as expenses within one year.

## 11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets measured at FVTPL:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Equity securities listed in Hong Kong	–	34,454
Unlisted investments	<u>72,108</u>	<u>3,964</u>
	<u><u>72,108</u></u>	<u><u>38,418</u></u>

## 12 TRADE PAYABLES

All of the trade payables are expected to be settled within one year or are repayable on demand. As of the end of the reporting period, the aging analysis of the Group's trade payables, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	6,853	13,320
1 to 3 months	7,315	3,923
3 to 6 months	994	2,638
6 to 12 months	4,643	1,663
Over 12 months	<u>3,861</u>	<u>1,900</u>
	<u><u>23,666</u></u>	<u><u>23,444</u></u>

## 13 OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Payables for acquisitions of property, plant and equipment	153	203
Payables for staff costs and other labor costs	3,019	1,912
Dividends payable	2,461	2,432
Others	<u>3,529</u>	<u>3,162</u>
Financial liabilities measured at amortised cost	<u><u>9,162</u></u>	<u><u>7,709</u></u>

All of the other payables are expected to be settled within one year or are repayable on demand.

## 14 CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments received from customers for rail freight transportation and related ancillary services	13,906	3,268
Prepayments received from customers for trading business	9,705	3,001
	<u>23,611</u>	<u>6,269</u>

## 15 BANK AND OTHER LOANS

(a) The Group's bank and other loans comprise:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans:		
– Secured	388,015	378,504
– Unsecured	46,057	48,059
	<u>434,072</u>	<u>426,563</u>
Other loans:		
– Secured	97,354	93,652
– Unsecured	1,552	1,552
	<u>98,906</u>	<u>95,204</u>
	<u>532,978</u>	<u>521,767</u>

All of the bank and other loans are carried at amortised costs.

(b) The bank and other loans were repayable as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year or on demand	217,138	157,155
After 1 year but within 2 years	188,314	187,744
After 2 years but within 5 years	127,526	176,868
	<u>315,840</u>	<u>364,612</u>
	<u>532,978</u>	<u>521,767</u>

- (c) At 31 December 2025, the Group’s secured bank loans of RMB[388,015,000] (2024: RMB378,504,000) were secured by the following assets and future rail transportation revenue of the Group:

	<b>2025</b>	2024
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Carrying amount:		
Property, plant and equipment	<b>6,655</b>	6,976
Right-of-use assets	<b>102,849</b>	103,602
	<b><u>109,504</u></b>	<u>110,578</u>

Included in the Group’s secured bank loans as at 31 December 2025: RMB[46,046,000] (2024: RMB48,048,000) were also guaranteed by Cangzhou Railway Logistics Services Company Limited (“Cangzhou Logistics”), a wholly-owned subsidiary of the Company.

- (d) At 31 December 2025, the Group’s secured other loans of RMB[97,354,000] (2024: RMB93,652,000) were secured by the following assets of the Group:

	<b>2025</b>	2024
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Carrying amount:		
Property, plant and equipment	<b>241,157</b>	190,193

Included in the Group’s secured other loans as at 31 December 2025, RMB[88,636,000] (2024: RMB63,130,000) were guaranteed by Cangzhou Logistics and RMB[8,718,000] (2024: RMB30,523,000) were secured by equity interests of Canggang Company held by Cangzhou Logistics.

- (e) As at 31 December 2025, the Group’s unsecured bank loans amounting to RMB[46,057,000] (2024: RMB48,059,000), guaranteed by Cangzhou Logistics, are interest-bearing at 4.50% (2024: 4.5%) per annum.

As at 31 December 2025, the Group’s unsecured other loans amounting to RMB1,552,000 (2024: RMB1,552,000) are interest-bearing at 4.75% (2024: 4.75%) per annum.

- (f) The following table details the interest rate profile of the Group's borrowings at the end of each reporting period:

	2025 Effective interest rate %	<i>RMB'000</i>	2024 Effective interest rate %	<i>RMB'000</i>
<b>Fixed rate borrowings</b>				
Bank loans	3.65%-5.5%	434,072	3.65%-5.5%	383,005
Other loans	4.0%-6.56%	98,906	4.0%-6.56%	95,204
		<u>532,978</u>		<u>478,209</u>
<b>Variable rate borrowings</b>				
Bank loans	N/A	-	4.8%	43,558
<b>Total borrowings</b>		<u><u>532,978</u></u>		<u><u>521,767</u></u>
Fixed rate borrowings as a percentage of total borrowings		<u><u>100%</u></u>		<u><u>92%</u></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

The Group is an established and expanding local railway operator based in Hebei Province. With our Canggang Railway Line, we have continued to provide our customers with comprehensive services and one-stop solutions for our freight transportation, extended our leading position in rail freight transportation business, and continued to maintain our leading market position in Hebei Province. To build on this foundation, we are preparing to further expand our railway to enhance our services to our existing customers and to attract potential customers.

The year of 2025 was a pivotal year for the Company, overcoming challenges, working diligently, seizing opportunities and developing with innovation despite extremely complex and challenging market conditions. Over the past year, the production and operations of the Company have been under tremendous pressure and challenges caused by heavy pressure on the rail freight transportation market due to a variety of unfavorable factors, including continued downward pressure on the economy, prolonged decline in coal prices, insufficient downstream demand and insufficient number of local investment projects commenced. Facing these complex and challenging market conditions, the management of the Company actively took countermeasures and adjusted its business strategies in a timely manner. We adhered to a market-oriented approach in an efficiency-centered manner with the “Railway+” strategy as a guide to closely focus on the three main lines of market development, cost reduction and efficiency improvement, and strategic development. We actively strived to expand the market, accelerate project progress, strengthen safety management, deepen reform and innovation, and continuously explore potential for efficiency improvement. We also sought to seize policy opportunities, implement equipment upgrades and vigorously promote corporate culture. As a result, the Company’s development entered a new stage, with its governance reaching a new level.

The marketing team guided by the principles of “overseas expansion” and “extensive investigation and research” as instructed by the management, carried out multiple visits to upstream markets, including Shanxi, Shaanxi, Inner Mongolia, Ningxia, Xinjiang and Gansu. These efforts aimed to engaged with key customers to promote and publicize the competitive advantages of “Canggang Railway Line – Port Huanghua”, gather market information, understand customer needs and explore new market opportunities. As a result of our efforts, we achieved varying degrees of growth in certain areas during the Reporting Period. In particular, rail freight transportation of coal reached 5.5 million tonnes, representing a year-on-year increase of 6.3% or 0.4 million tonnes. Rail freight transportation of semi-coke reached 1.5 million tonnes, marking a year-on-year increase of 15.5% or 0.2 million tonnes. Rail freight transportation of ore fines reached 3.5 million tonnes, a year-on-year increase of 3.6% or 0.12 million tonnes. During the Reporting Period, rail freight transportation of oil products reached 0.5 million tonnes, representing a year-on-year decrease of 46.1% or 0.4 million tonnes. The increase in transportation volumes offset the decrease, even showing a slight surplus.

During the Reporting Period, we completed a total transportation of 15.5 million tonnes of cargo, representing an increase of 0.6% or 0.1 million tonnes compared to 15.4 million tonnes for the year ended 31 December 2024.

## **FUTURE DEVELOPMENT**

As at 31 December 2025, we operated one local railway, the Canggang Railway Line. One of our business strategies is to construct an additional branch line to expand our business scale, including the expansion of our geographic presence and business to the Comprehensive Industrial Park in Bohai New Area. We have obtained the approval from the Development and Reform Commission of Hebei Province in relation to the construction of the new branch line in January 2024 and have commenced its construction at the end of 2024, and the roadbed works were basically completed in 2025.

We are also in the process of upgrading and renovating the relevant infrastructure of our Canggang Railway Line to enhance safety and increase the overall capacity of our railway operations.

## FINANCIAL REVIEW

### Revenue

	<b>For the year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<i>RMB in thousands, other than percentages</i>			
Rail freight transportation	<b>236,189</b>	<b>84.9%</b>	222,443	85.9%
Ancillary services				
Loading and unloading	<b>26,651</b>	<b>9.6%</b>	27,473	10.6%
Road freight transportation	<b>1,226</b>	<b>0.5%</b>	939	0.4%
Construction, maintenance and repair	<b>7,052</b>	<b>2.5%</b>	6,963	2.7%
Others	<b>7,043</b>	<b>2.5%</b>	1,116	0.4%
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<b>41,971</b>	<b>15.1%</b>	36,491	14.1%
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b><u>278,161</u></b>	<b><u>100%</u></b>	<b><u>258,934</u></b>	<b><u>100%</u></b>

Our revenue increased by 7.4% or RMB19.3 million from RMB258.9 million for the year ended 31 December 2024 to RMB278.2 million for the Reporting Period. The increase was primarily due to the increase in revenue from rail freight transportation of RMB13.8 million and ancillary services of RMB5.5 million.

Our revenue from rail freight transportation increased by 6.2% or RMB13.8 million from RMB222.4 million for the year ended 31 December 2024 to RMB236.2 million for the Reporting Period, mainly due to the varying degrees of growth in the transportation of coal, semi-coke and ore fines resulting from our efforts in 2025.

Our revenue from ancillary services increased by 15.0% or RMB5.5 million from RMB36.5 million for the year ended 31 December 2024 to RMB42.0 million for the Reporting Period. This increase in revenue from ancillary services was primarily attributable to the growth in other revenue, including equipment rental revenue and freight yard service fee revenue during the Reporting Period.

## **Operating expenses**

Our operating expenses include staff costs, outsourcing service charges and other labor costs, cargo logistics, depreciation, fuel used, repairs and maintenance, general and administration expenses, impairment loss on trade receivables and other expenses. Operating expenses increased by 5.7% or RMB11.0 million from RMB193.6 million for the year ended 31 December 2024 to RMB204.6 million for the Reporting Period. This increase in operating expenses was primarily due to a growth in revenue during the Reporting Period, which resulted in a corresponding increase in operating expenses.

To improve the Company's liquidity, we have maintained strict control over outstanding receivables with our senior management regularly reviewing overdue balances to mitigate our credit risk. As a result of these efforts, the recovery of our trade receivables was satisfactory. Additionally our trade and bills receivables decreased by 6.3% or RMB5.1 million from RMB81.3 million for the year ended 31 December 2024 to RMB76.2 million for the Reporting Period.

## **Other income, net**

Our other income, net decreased by 25.5% or RMB10.5 million from RMB40.9 million for the year ended 31 December 2024 to RMB30.4 million for the Reporting Period, primarily due to the decrease in income generated from trading business during the Reporting Period, compared with the corresponding period last year.

## **Segment information**

Information reported to the Group's management, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and performance assessment.

Effective during the year ended 31 December 2025, the Group changed its segment disclosure to a single segment, being rail freight transportation and ancillary services segment because the Group changed its structure of its internal organisation, including changes in its key management personnel in the Group's revenue centre and internal reporting review process. This change in segment reporting aligns with the manner in which the Group's CODM currently receives and uses financial information to allocate resources and evaluate the performance of reporting segments. This change in segment presentation does not affect consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income or consolidated cash flows statement. The Group retrospectively revised prior year segment information, to conform to current year presentation.

### **Finance costs**

Our finance costs decreased by 3.3% or RMB1.0 million from RMB29.6 million for the year ended 31 December 2024 to RMB28.6 million for the Reporting Period, mainly due to lower borrowing rate.

### **Income tax expense**

Our income tax expense decreased by 17.1% or RMB3.7 million from RMB21.6 million for the year ended 31 December 2024 to RMB17.9 million for the Reporting Period mainly due to a decrease in deferred tax liabilities during the Reporting Period as compared with 2024. Our effective tax rate decreased by 4.4% from 28.1% for the year ended 31 December 2024 to 23.7% for the Reporting Period, which was mainly because the increase in fair value gains on financial assets at fair value through profit or loss, which are not taxable.

### **Profit for the year and net profit margin**

As a result of the foregoing, our profit for the year increased by 4.4% or RMB2.4 million from RMB55.1 million for year ended 31 December 2024 to RMB57.5 million for the Reporting Period. Our net profit margin decreased from 21.3% for the year ended 31 December 2024 to 20.7% for the Reporting Period. The net profit margin remained largely stable.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 31 December 2025, the Group had net current assets of approximately RMB18.2 million (2024: net current assets of approximately RMB127.0 million). The Group continued to maintain a strong financial position. During the Reporting Period, our cash and cash equivalent decreased by RMB48.0 million to RMB108.0 million as at 31 December 2025 from RMB156.0 million as at 31 December 2024, which was mainly due to the construction of our new branch line and the purchase of new energy locomotives. With our steady cash generated from operations and the banking facilities available to the Group, we have adequate financial resources to meet our working capital needs as well as to fund our budgeted construction and upgrade plans in 2026 and 2027.

As at 31 December 2025, our interest-bearing borrowings amounted to RMB533.0 million, of which RMB315.8 million was long-term borrowing. We had unutilized credit facilities from banks and other financial institutions of RMB40.0 million.

The gearing ratio, which is calculated by dividing total debt (being bank and other loans) by total equity as at the end date of the respective year and multiplying the result by 100%, was approximately 63.4% as at 31 December 2025 (2024: 64.7%). The decrease in gearing ratio was mainly attributable to the increase in the total equity.

### **Pledge of assets**

As at 31 December 2025, RMB6.7 million property, plant and equipment (2024: RMB7.0 million) were pledged for our bank loans. Also, our property, plant and equipment with carrying amount of approximately RMB241.2 million (2024: RMB190.2 million) were pledged for our other loans.

As at 31 December 2025, a certain portion of our right-of-use assets with carrying amount of approximately RMB102.8 million (2024: RMB103.6 million) were pledged for our bank loans, and no right-of-use assets (2024: nil) were pledged for our other loans.

### **Contingent liabilities**

As at 31 December 2025, the Group did not have any contingent liabilities.

### **Foreign exchange risk**

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. It is expected that the Group will not be subject to any material adverse effects arising from exchange rate fluctuation except for a few listing compliance transactions as well as the settlement of dividend and demand deposits in Hong Kong dollars. The Group currently does not have any foreign currency hedging policies. Nevertheless, the Group will continue to monitor foreign exchange risk exposure and will take appropriate action when needed.

## **CAPITAL EXPENDITURE AND COMMITMENTS**

### **Capital Expenditure**

During the Reporting Period, we have invested RMB164.7 million for our capital expenditure which were mainly related to the construction of our new branch line and the purchase of new energy locomotives. We financed our capital expenditure through the proceeds from the global offering of the Company, cash generated from operations and banking facilities.

### **Capital Commitments**

As at 31 December 2025, our outstanding capital commitments in respect of property, plant and equipment amounted to approximately RMB92.7 million (2024: RMB61.2 million). Save as disclosed in this announcement, we did not have any other material capital commitment.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OF CAPITAL ASSETS**

Save as disclosed in this announcement and the Prospectus, there were no significant investments held by the Group during the Reporting Period, nor was there any material acquisition or disposal of subsidiaries, associates and joint venture during the Reporting Period. Save as disclosed in this announcement and the Prospectus, there was no other plan for significant investments or additions of capital assets as at 31 December 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares as defined in the Listing Rules) during the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, the Group did not have any other material subsequent event after the Reporting Period and up to the date of this announcement.

## **EMPLOYEE AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had 627 employees (2024: 648 employees) (including two executive Directors but excluding three independent non-executive Directors).

The Group offers attractive remuneration package to the employees as the Directors believe the consistency and quality of our staff is the key to success. In order to retain our staff and motivate them for better performance, the remuneration package, including basic salary and other employee benefits such as bonus, is reviewed annually according to employee individual performance. We are also committed to provide a caring environment to retain our staff and to enable better performance. We provided sufficient trainings and persuaded our staffs to attend other courses to maintain their professionalism and qualifications.

## **CORPORATE GOVERNANCE CULTURE AND STRATEGY**

Since the Listing of our shares on the Stock Exchange on 23 October 2020, the Company has been committed to maintaining high standard of corporate governance. The Board believes that good corporate governance is the basis in ensuring the proper management in the interest of all our Shareholders and other stakeholders. Improvement of the corporate governance is a long and systematic project, which requires strong commitment and perseverance. As it always has, the Company will continuously improve the risk assessment and monitoring procedures, internal control policy, enhancing our transparency and disclosures quality to our Shareholders to promote the sustainable and robust development of the Company in light of evolving business and regulatory environment and to meet the expectations of stakeholders.

The Group is an established and expanding local railway operator based in Hebei Province. With our Canggang Railway Line, we continue to provide our customers with comprehensive services and one-stop solutions of our freight transportation. As a listed company, we are committed to providing high-quality and reliable services, creating value through sustainable growth and development.

The Group has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, and business strategies:

- (a) Objective – Serving local economy, building a century-old railway
- (b) Vision – Creating value for customers, fostering well-being for employees, generating benefits for the Company, creating wealth for society
- (c) Philosophy – Operating in compliance with laws, upholding integrity, prioritising safety, putting service first
- (d) Spirit – Pursuing truth, pragmatism, and excellence, working together for development
- (e) Core value – Rooted in safety, people-oriented, integrity first, virtuous conduct and professionalism

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

## **CORPORATE GOVERNANCE PRACTICES**

This announcement possesses the corporate governance best practices that the Company has adopted and highlights how the Company has applied the principles of the code provisions set out in the CG Code to the Listing Rules.

During the Reporting Period, the Company has complied with all the applicable code provisions under Part 2 of the CG Code as set out in Appendix C1 to the Listing Rules.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the Reporting Period, which will be made available on the respective websites of the Stock Exchange and the Company in due course. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securitized transactions by the Directors. Specific enquiry has been made to all the Directors, all the Directors have confirmed that they have complied with the required standard set out in Model Code during the Reporting Period.

## **AUDIT COMMITTEE**

The Audit Committee comprises two independent non-executive Directors, namely Ms. Lyu Qinghua (chairlady of the Audit Committee) and Mr. Liu Changchun, and a non-executive Director, namely Mr. Xu Zhihua.

The Audit Committee has reviewed the Group's consolidated financial statements for the Reporting Period. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and the Audit Committee is of the opinion that such consolidated financial statements comply with the applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

## **SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED**

The financial figures in respect of Group's consolidated statement of financial position as at 31 December 2025, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited ("**HLB**"), Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by HLB in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB on the preliminary announcement.

## **ANNUAL GENERAL MEETING**

The AGM will be held on 17 June 2026. A notice convening the AGM will be published and despatched to the Shareholders in accordance with the requirements under the Articles of Association and the Listing Rules in due course.

## **FINAL DIVIDEND**

No final dividend for the year ended 31 December 2025 was proposed by the Board to the Shareholders (for the year ended 31 December 2024: RMB0.6 cents per share).

## **CLOSURES OF REGISTER OF MEMBERS**

### **For Determining the Eligibility to Attend and Vote at the AGM**

To determine the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 12 June 2026 to Wednesday, 17 June 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Wednesday, 17 June 2026. In order to be eligible to attend and vote at the AGM, all transfer share documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 June 2026.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the Company's website at [www.czcgtl.com](http://www.czcgtl.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report for the year ended 31 December 2025 will be dispatched to the Shareholders (upon requests from Shareholders) and made available on the above websites in due course.

## **RESIGNATION OF NON-EXECUTIVE DIRECTOR**

The Board hereby announces that, effective from 30 March 2026, Mr. Qin Shaobo ("Mr. Qin") has resigned as a non-executive Director in order to devote more time to other work commitments. Mr. Qin confirmed that he has no disagreement with the Board and there are no matters in relation to his resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude and great appreciation to Mr. Qin for his valuable contributions to the Company during his tenure in office and wish him every success in future.

## **APPRECIATION**

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contribution, and to our Shareholders, investors and business partners for their support.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the forthcoming annual general meeting of the Company to be held on 17 June 2026
“Articles of Association”	the amended and restated articles of association of the Company adopted on 18 June 2024 and as amended, supplemented and otherwise modified from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“Canggang Railway Line”	a local freight railway line in Cangzhou, Hebei Province, which connects Cangzhou and Bohai New Area which contains Port Huanghua, from Cangzhou Station* (滄州站) to Gangkou Station* (港口站)
“CG Code”	corporate governance code contained in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Canggang Railway Limited (滄港鐵路有限公司) (stock code: 2169), an exempted company incorporated in the Cayman Islands with limited liability on 19 October 2018
“Director(s)”	the director(s) of the Company
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries from time to time, or where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

“Listing”	the shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 of the Listing Rules
“Prospectus”	the prospectus of the Company dated 12 October 2020
“Reporting Period”	the year ended 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“%”	per cent

By Order of the Board  
**Canggang Railway Limited**  
**Yi Weiming**  
*Chief Executive Officer*

Hong Kong, 30 March 2026

*As at the date of this announcement, the Board comprises Mr. Liu Yongliang and Mr. Yi Weiming as the executive Directors; Mr. Xu Zhihua as the non-executive Director; and Mr. Liu Changchun, Mr. Zhao Changsong and Ms. Lyu Qinghua as the independent non-executive Directors.*

\* *The English translation of company names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*