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中國中鐵股份有限公司

CHINA RAILWAY GROUP LIMITED

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

(Stock Code: 390)

2026 INTERIM RESULTS ANNOUNCEMENT

The Board (the "**Board**") of Directors (the "**Directors**") of China Railway Group Limited (the "**Company**" or "**China Railway**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026. The Board and its Audit and Risk Management Committee have reviewed and confirmed the unaudited interim results.

1 CORPORATE INFORMATION

1.1 Basic Information

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

1.2 Contact Details

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2 FINANCIAL HIGHLIGHTS

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

2.1 Key financial data prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting"

2.1.1 Summary of condensed consolidated statement of profit or loss

	For the six months ended 30 June					Change 2026 vs 2025
	2026	2025	2024	2023	2022	**2025**
			RMB million			*(%)*
Revenue						
Infrastructure Construction	**410,396**	448,386	484,838	526,649	495,908	-8.5
Design and Consulting	**7,626**	9,415	9,351	9,622	9,232	-19.0
Equipment Manufacturing	**15,952**	16,149	16,586	17,519	16,767	-1.2
Property Development	**11,299**	15,816	14,843	21,187	23,709	-28.6
Other Businesses	**45,023**	46,223	48,881	55,031	50,314	-2.6
Inter-segment Eliminations and Adjustments	**(17,189)**	(23,487)	(29,977)	(39,242)	(35,343)	
Total	**473,107**	512,502	544,522	590,766	560,587	-7.7
Gross Profit	**37,660**	42,420	46,757	50,906	46,550	-11.2
Profit before Income Tax	**13,548**	16,823	19,560	22,972	21,897	-19.5
Profit for the Period	**9,890**	13,142	15,669	18,264	16,808	-24.7
Profit for the Period Attributable to Owners of the Company	**8,655**	11,827	14,279	16,239	15,115	-26.8
Basic Earnings per Share *(RMB)*	**0.320**	0.412	0.532	0.605	0.551	-22.3

2.1.2 Summary of condensed consolidated statement of financial position

	As at 30 June 2026	As at 31 December 2025	As at 30 June 2025	Change 30 June 2026 vs 31 December 2025	Change 30 June 2026 vs 30 June 2025
		RMB million		*(%)*	*(%)*
Assets					
Current assets	**1,296,964**	1,339,666	1,319,518	-3.2	-1.7
Non-current assets	**1,161,344**	1,130,766	1,056,988	2.7	9.9
Total assets	**2,458,308**	2,470,432	2,376,506	-0.5	3.4
Liabilities					
Current liabilities	**1,353,873**	1,394,585	1,372,821	-2.9	-1.4
Non-current liabilities	**550,082**	535,397	482,995	2.7	13.9
Total liabilities	**1,903,955**	1,929,982	1,855,816	-1.3	2.6
Total equity	**554,353**	540,450	520,690	2.6	6.5
Total equity and liabilities	**2,458,308**	2,470,432	2,376,506	-0.5	3.4

2.2 Differences between financial data prepared in accordance with IAS 34 and Chinese Accounting Standard ("CAS")

	Net assets as at 30 June 2026	**Profit for the period for the six months ended 30 June 2026**
	RMB million	*RMB million*
Amounts attributable to owners of the Company stated in the financial statements prepared in accordance with CAS	**378,348**	**8,655**
Adjustments as required by IAS 34:		
– Recognition of loss on shares conversion scheme of a subsidiary	**(148)**	**–**
Amounts attributable to owners of the Company stated in the interim financial information prepared in accordance with the IAS 34	**378,200**	**8,655**

3 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

3.1 Changes in Shares

3.1.1 Changes in shares

Unit: Shares

	Before the change		Increase/decrease in the change (+,-)					After the change	
	Number	Percentage (%)	Issuance of new shares	Bonus shares	Reserve converted to shares	Others	Sub-total	Number	Percentage (%)
I. Shares with selling restrictions	4,037,688	0.02	0	0	0	-4,037,688	-4,037,688	0	0
1. Shares held by the state	0	0	0	0	0	0	0	0	0
2. Shares held by the state-owned legal person	0	0	0	0	0	0	0	0	0
3. Shares held by other domestic shareholders	4,037,688	0.02	0	0	0	-4,037,688	-4,037,688	0	0
Including: Shares held by domestic non-state-owned legal person	0	0	0	0	0	0	0	0	0
Shares held by domestic natural person	4,037,688	0.02	0	0	0	-4,037,688	-4,037,688	0	0
4. Shares held by foreign shareholders	0	0	0	0	0	0	0	0	0
Including: Shares held by foreign legal person	0	0	0	0	0	0	0	0	0
Shares held by foreign natural person	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	24,682,247,941	99.98	0	0	0	-150,937,612	-150,937,612	24,531,310,329	100.00
1. RMB-denominated ordinary shares	20,474,857,941	82.94	0	0	0	-150,937,612	-150,937,612	20,323,920,329	82.85
2. Domestically-listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	4,207,390,000	17.04	0	0	0	0	0	4,207,390,000	17.15
4. Others	0	0	0	0	0	0	0	0	0
III. Total number of shares	24,686,285,629	100.00	0	0	0	-154,975,300	-154,975,300	24,531,310,329	100.00

3.1.2 Explanation on the changes in shares

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

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

On 30 April 2025, the Company disclosed the plan on the proposed repurchase of certain A Shares through centralized bidding trading. The details of implementation of the share repurchase are set out in "3.5 Purchase, Sale or Redemption of the Company's Listed Securities" of this announcement.

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

Not applicable

3.1.4 Other information considered necessary by the Company or required by securities regulators that should be disclosed

Not applicable

3.1.5 Changes in restricted shares

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the reporting period	Number of shares released from selling restrictions during the reporting period	Number of restricted shares granted during the reporting period	Number of restricted shares at the end of the reporting period	Reasons for change in restricted shares	Date of releasing selling restrictions
Participants for restricted shares	4,037,688	4,037,688	0	0	The unlocking conditions for the second unlocking period under the reserved grant of the 2021 Restricted Share Incentive Scheme were fulfilled. On 9 January 2026, 3,973,988 restricted shares were unlocked and listed. On 19 January 2026, 63,700 granted restricted shares held by one participant which were granted but had not met the unlocking conditions for the third unlocking period were repurchased and cancelled.	9 January 2026 and 19 January 2026
Total	4,037,688	4,037,688	0	0		

3.2 Information on Shareholders

3.2.1 Total number of shareholders

Total number of holders of ordinary shares as at the end of the reporting period	547,922
Total number of holders of preference shares with reinstated voting rights as at the end of the reporting period	0

3.2.2 Shareholdings of the top ten shareholders

Unit: Shares

Name of shareholder	Increase/ decrease during the reporting period	Total number of shares held at the end of the period	Shareholding percentage *(%)*	Number of shares with selling restrictions	Number of pledged or frozen shares		Nature of shareholder
					Conditions of shares	Number	
China Railway Engineering Group Company Limited ("**CREC**") *(Note 1)*	0	11,623,119,890	47.38	0	Nil	0	State-owned legal person
HKSCC Nominees Limited *(Note 2)*	642,410	4,012,831,411	16.36	0	Nil	0	Other
China Reform Development Investment Management Co., Ltd.	0	742,605,892	3.03	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited *(Note 3)*	-36,140,878	237,038,034	0.97	0	Nil	0	Other
Central Huijin Assets Management Co., Ltd.	0	230,435,700	0.94	0	Nil	0	State-owned legal person
China Great Wall Asset Management Co., Ltd.	0	138,562,835	0.56	0	Nil	0	State-owned legal person
Bank of China Financial Asset Investment Co., Ltd.	0	48,200,000	0.20	0	Nil	0	State-owned legal person
Yang Wei	42,400,600	42,400,600	0.17	0	Nil	0	Domestic natural person
Guoxin Hongsheng Investment (Beijing) Co., Ltd.	0	37,417,001	0.15	0	Nil	0	State-owned legal person
China Orient Asset Management Co., Ltd.	0	35,612,619	0.15	0	Nil	0	State-owned legal person

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

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

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

Note 4: The numbers shown in the table are based on the register of members of the Company as at 30 June 2026.

3.2.3 Shareholdings of the top ten shareholders without selling restrictions

Unit: Shares

Name of shareholder	Number of shares held without selling restrictions	Type and number of shares	
		Type	Quantity
CREC *(Note 1)*	11,458,725,890	RMB-denominated ordinary shares	11,458,725,890
	164,394,000	Overseas listed foreign shares	164,394,000
HKSCC Nominees Limited *(Note 2)*	4,012,831,411	Overseas listed foreign shares	4,012,831,411
China Reform Development Investment Management Co., Ltd.	742,605,892	RMB-denominated ordinary shares	742,605,892
Hong Kong Securities Clearing Company Limited *(Note 3)*	237,038,034	RMB-denominated ordinary shares	237,038,034
Central Huijin Assets Management Co., Ltd.	230,435,700	RMB-denominated ordinary shares	230,435,700
China Great Wall Asset Management Co., Ltd.	138,562,835	RMB-denominated ordinary shares	138,562,835
Bank of China Financial Asset Investment Co., Ltd.	48,200,000	RMB-denominated ordinary shares	48,200,000
Yang Wei	42,400,600	RMB-denominated ordinary shares	42,400,600
Guoxin Hongsheng Investment (Beijing) Co., Ltd.	37,417,001	RMB-denominated ordinary shares	37,417,001
China Orient Asset Management Co., Ltd.	35,612,619	RMB-denominated ordinary shares	35,612,619

Name of shareholder	Number of shares held without selling restrictions	Type and number of shares Type	Quantity
Statement on the special accounts for repurchase of the top ten shareholders			Nil
Statement on entrustment of voting right, voting right by proxy and abstaining from voting of the shareholders above			Nil
Statement on the related relations and concerted actions among the shareholders above	CREC, the largest shareholder, does not have related relations or perform concerted actions with the other above shareholders. The Company is not aware of any related relationships or concerted action relationships among the other above shareholders.		
Statement on the shareholders of preferred shares with reinstated voting rights and the number of shares held			Nil

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

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

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

Note 4: The numbers shown in the table are based on the register of members of the Company as at 30 June 2026.

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

Not applicable

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

Not applicable

3.2.6 Shareholdings of the top ten shareholders with selling restrictions and terms of selling restrictions

Not applicable

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

Not applicable

3.3 Information on Directors and Senior Management

3.3.1 Changes in the shareholdings of incumbent directors and senior management and those departed during the reporting period

Not applicable

3.3.2 Share incentives granted to the directors and senior management during the reporting period

Not applicable

3.4 Changes in the Controlling Shareholder or the Ultimate Controller

Not applicable

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

During the six months ended 30 June 2026, the Company repurchased and cancelled part of the restricted A shares granted under the 2021 Restricted Share Incentive Scheme of the Company.

On 29 September 2025, the Company decided to repurchase and cancel 54,786,990 restricted shares held by 678 participants which were granted but had not met the unlocking conditions for the third unlocking period. In particular, the Company repurchased and cancelled a total of 50,813,003 restricted shares granted to 628 participants under the first grant but had not met the unlocking conditions for the third unlocking period, with the repurchase price of RMB2.766 per share; and a total of 3,973,987 restricted shares granted to 50 participants under the reserved grant but had not met the unlocking conditions for the third unlocking period, with the repurchase price of RMB3.092 per share. On 24 November 2025, the Company completed the repurchase and cancellation procedures of 54,723,290 restricted shares which were granted to 677 participants thereof but not yet unlocked. On 19 January 2026, the Company completed the repurchase and cancellation procedures of 63,700 restricted shares which were granted to remaining 1 participant but not yet unlocked. For details, please refer to the relevant announcements of the Company dated 29 September 2025, 19 November 2025, 25 November 2025 and 14 January 2026 on the website of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

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

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

Unit: Yuan Currency: RMB

Month of repurchase	Repurchase quantity (share)	Highest trading price per share	Lowest trading price per share	Total transaction amount (excluding transaction fees)
June 2025	/	/	/	/
July 2025	/	/	/	/
August 2025	/	/	/	/
September 2025	/	/	/	/
October 2025	6,998,600	5.75	5.63	39,999,328.00
November 2025	3,502,900	5.75	5.63	19,999,752.00
December 2025	18,310,500	5.75	5.42	100,019,066.00
January 2026	/	/	/	/
February 2026	/	/	/	/
March 2026	/	/	/	/
April 2026	61,128,300	5.75	5.06	319,997,722.00
May 2026	45,790,200	5.75	4.87	229,998,878.00
June 2026	19,181,100	5.75	4.66	90,001,011.00
Total	154,911,600			800,015,757.00

On 19 June 2026, the Company completed the share repurchase scheme, with a total of 154,911,600 A shares actually repurchased, representing 0.6275% of the Company's total share capital. In accordance with the share repurchase scheme, the Company proceeded to cancel the repurchased 154,911,600 shares at China Securities Depository and Clearing Corporation Limited on June 22, 2026, for the purpose of reducing its registered capital.

Save as disclosed above, neither the Company nor its subsidiaries had any purchase, sale or redemption of the Company's listed securities during the six months ended 30 June 2026.

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

As at 30 June 2026, none of the directors and chief executive of the Company had any interests and short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (the "**Model Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

Substantial shareholders and holders of interests or short positions required to be disclosed under Divisions 2 and 3 of Part XV of the SFO

As at 30 June 2026, according to the register kept by the Company under Section 336 of the SFO, the following person had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Substantial shareholder (as defined in the Listing Rules)

Name	Capacity	Class of share	Number of shares held in the relevant class *(shares)*	Nature of interest	Approximate percentage of total issued shares of the relevant class *(%)*	Approximate percentage of total issued shares *(%)*
CREC	Beneficial owner	A shares	11,458,725,890	Long position	56.38	46.71

Save as disclosed above, the Company had not been notified of any other person who had interests (whether direct or indirect) or short positions in 5% or more of the shares in the relevant share capital which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 30 June 2026.

3.7 Dealings of Securities by Directors

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. The Company has made enquiries to all Directors, and each Director confirmed that he/she has complied with the Model Code throughout the period from 1 January 2026 to 30 June 2026.

4 MANAGEMENT DISCUSSION AND ANALYSIS

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

4.1 Industry Development Overview

Engineering construction

(1) Domestic

In the first half of 2026, national fixed-asset investment (excluding rural households) was RMB22,637.0 billion, representing a year-on-year decrease of 5.7%. Of this, infrastructure investment decreased by 2.4% year-on-year, with the growth rate declining by 11.3 percentage points compared with the same period last year. The construction sector remains in a period of profound transformation and adjustment, with the market having shifted comprehensively from incremental expansion to stock-based competition. The sector has moved beyond extensive, scale-driven growth and entered a transitional phase focused on improving quality, enhancing efficiency and optimising structure. However, with the accelerated planning and construction of the "Six Networks", the successive implementation of specialised plans such as urban renewal, and the orderly deployment of policy-driven funds, including ultra-long-term special government bonds and central budgetary investment, there remains potential and scope for infrastructure investment in areas such as new-type infrastructure construction, urban renewal, the upgrading of traditional facilities, and addressing shortcomings in people's livelihoods.

(2) International

In the first half of 2026, the external environment was complex and volatile, with intensifying geopolitical conflicts and their deepening impact, and the volatility in international financial markets increased, presenting both opportunities and challenges for China's overseas engineering contracting enterprises. According to statistics from the Ministry of Commerce, in the first half of 2026, new contracts secured under China's overseas engineering contracting business totalled RMB866.06 billion, representing a decrease of 7.2% (equivalent to US$125.64 billion, a decrease of 3.3%); turnover reached RMB606.26 billion, representing a year-on-year increase of 8% (equivalent to US$87.95 billion, an increase of 12.6%). The newly signed engineering contracts by Chinese enterprises in countries participating in the "Belt and Road" initiative amounted to RMB787.48 billion, representing a year-on-year decrease of 3.4% (equivalent to US$114.24 billion, an increase of 0.7%); completed turnover totalled RMB520.71 billion, representing a year-on-year increase of 11.8% (equivalent to US$75.54 billion, an increase of 16.5%).

Design and consulting

As a technology- and knowledge-intensive production-oriented service sector, design and consulting operates at the forefront of engineering construction projects across numerous industries, including architecture, transport, power, water conservancy. It runs throughout the entire life-cycle of engineering construction projects, providing comprehensive technical and management services to support project decision-making and implementation. It plays an irreplaceable supporting role in enhancing the investment returns and social benefits of engineering projects, driving technological and industrial upgrading, and promoting synergistic value creation across the industrial chain. In recent years, the design and consulting sector has faced a period of profound adjustment and transformation. Survey and design firms are confronted with a combination of pressures, including sluggish growth in traditional design and consulting services, cash-flow constraints in their core businesses, and the need to consolidate the economies of scale and profitability of new business lines. However, the continued advancement of national strategies such as green and low-carbon development, Digital China, urban-rural coordination and industrial upgrading has given rise to new demands within the design and consulting sector, providing the industry with new opportunities for development.

Equipment manufacturing

Since 2026, guided by policy and driven by market forces, China's equipment manufacturing sector has continued to serve as the core engine of industrial growth. The optimisation of the industrial structure has proceeded in tandem with the cultivation of new growth drivers. According to data from the National Bureau of Statistics, in the first half of the year, the value added of industrial enterprises above designated size nationwide increased by 5.4% year-on-year, with manufacturing increasing by 5.6% year-on-year. The value added of equipment manufacturing enterprises above designated size increased by 9.3% year-on-year, while that of high-tech manufacturing increased by 13.3% year-on-year. High-tech manufacturing and the equipment manufacturing sector have maintained relatively rapid growth, with output of emerging products such as new-energy equipment, integrated circuits and industrial robots achieving substantial increases; meanwhile, demand in traditional manufacturing has come under pressure, and domestic and international markets have shown divergent trends. At the policy level, the state has successively issued documents such as the Implementation Opinions on the "Artificial Intelligence + Manufacturing" Special Action (《「人工智能+製造」專項行動實施意見》) and the Guiding Opinions on the Construction of Zero-Carbon Factories (零碳工廠建設指導意見), continuously promoting the transformation of the manufacturing sector towards high-end, intelligent and green development, and fostering the development of new quality productive forces.

Featured property

In the first half of 2026, driven by a series of regulatory measures, the domestic property market as a whole exhibited characteristics of "overall stabilisation at the bottom with increasing divergence". Nationwide, indicators such as property development investment, the floor area of completed properties by property developers, and the sales area of new commercial housing continued to decline year-on-year; however, the rate of decline slowed marginally, inventory continued to be reduced, and the disparity between hot and cold markets across different tiers of cities widened. The second-hand property market was the first to show signs of recovery, thereby stimulating a virtuous cycle in the market. In April, the meeting of the Political Bureau of the Central Committee called for "efforts to stabilise the property market and steadily advance urban renewal", identifying the prevention of property risks as a key component of economic security. In May, the State Council issued the "15th Five-Year Plan" for Urban Renewal (《城市更新「十五五」規劃》), which further clarified six major tasks and 23 specific actions for urban renewal during the "15th Five-Year Plan" period. This has brought new opportunities for the development of the property sector and has become a key lever for stabilising the industry. Meanwhile, urban renewal will also serve as a key focus for unlocking the potential of urban resources. The business models of property enterprises will shift from large-scale new development to the renewal, revitalisation, operation and servicing of existing stock, thereby generating comprehensive effects such as stimulating investment, driving consumption and expanding opportunities for new industries.

Asset operation

As the opening year of the "15th Five-Year Plan", 2026 saw the coordinated implementation and targeted deployment of macroeconomic cross-cycle adjustment policies, with their benefits continuing to materialise. Supported by measures such as ultra-long-term special government bonds, policy-based financial instruments and local government special-purpose bonds, infrastructure investment generally maintained moderate resilience; however, overall growth momentum remained weak, with investment characterised by pressure on total volume and structural divergence. In particular, investment in traditional transport and municipal infrastructure showed sluggish growth, with only certain sectors addressing bottlenecks and sub-sectors related to people's livelihoods achieving structural recovery; growth in previously high-growth sectors such as pipeline transport and intermodal transport slowed significantly; conversely, investment in new-type infrastructure and high-tech industries grew strongly against the trend, while sectors with existing shortcomings, such as water transport, railway infrastructure and integrated logistics support, showed a modest recovery.

Resource utilization

In the first half of 2026, the global mineral resources sector was influenced by multiple factors, including ongoing disruptions caused by geopolitical conflicts, macroeconomic and monetary policy dynamics, and structural demand driven by the energy transition. Consequently, the security of strategic mineral resources rose to the top of the strategic agenda for nations worldwide, leading to a profound realignment of the mining landscape. Policy uncertainty increased in major international mining nations, while the supply of industrial metals remained tight in the medium-to-long term. On the demand side, a shift from traditional to new growth drivers continued. Demand from traditional manufacturing sectors saw a moderate recovery, while the power infrastructure, energy storage, new energy and digital computing sectors continued to expand, effectively driving demand for key mineral products such as copper and nickel. Gold's role as a safe-haven asset and store of value became more pronounced, with prices fluctuating at elevated levels. Driven by fluctuating expectations regarding US dollar liquidity and the interplay of supply and demand fundamentals, commodity price volatility intensified during the first half of the year. Domestically, efforts to vigorously advance a new round of strategic initiatives for breakthroughs in mineral exploration continued, while the Implementation Regulations of the Mineral Resources Law of the People's Republic of China (《中華人民共和國礦產資源法實施條例》) formally came into force, accelerating the industry's transition towards intensive utilisation and green, intelligent development.

Financial and merchandise trading

(1) Financial

In the first half of 2026, the domestic financial sector thoroughly implemented the "Five Major Initiatives", remained steadfast in its fundamental role of serving the real economy, and coordinated risk resolution, structural optimisation and digital and intelligent transformation, while focusing on empowering new quality productive forces and the real economy. The sector continued to maintain a strict regulatory and strong compliance-oriented approach, and as a whole, entered a phase of standardised, refined and high-quality development. The regulatory framework for the trust industry underwent comprehensive reform, with the new Measures for the Administration of Trust Companies (《信託公司管理辦法》) formally coming into force in 2026. These measures strengthened capital constraints and fiduciary responsibilities, eliminated the practice of rigid redemption, and strictly controlled non-standard channel business. Financial companies adhered to a policy of strict supervision, risk prevention and enhanced capacity-building, strictly controlling non-compliant financing and improper related-party transactions, and preventing the cross-transmission of risks between the industrial and financial sectors.

(2) Merchandise trading

In the first half of 2026, China's foreign trade expanded rapidly, with its structure continuing to optimise and upgrade. The logistics sector, closely aligned with the development priorities of digitalisation, greening and integration, exhibited trends such as the deep integration of artificial intelligence and logistics, the upgrading of green supply chains, and the synergistic integration of industrial and supply chains. While these developments strengthened the foundations for growth, the sector also faced challenges posed by a complex and volatile international environment and the need to further bolster supply chain resilience, presenting an overall landscape featuring both opportunities and challenges.

Emerging business

In the first half of 2026, China continued to coordinate the high-quality development of both traditional and new infrastructure. Projects in the water conservancy and hydropower, clean energy, and ecological and environmental protection sectors accelerated their implementation and continued to improve their structure. In the water conservancy and hydropower sector, in the first half of the year, national investment in water conservancy construction reached RMB515.1 billion with a total of 33,000 projects under construction and 25 major projects newly commenced in the first half of the year. In the clean energy sector, in the first half of the year, 117 million kilowatts of new renewable energy capacity was connected to the grid nationwide, accounting for 73.9% of all new power generation capacity newly added nationwide; the cumulative installed capacity of domestic renewable energy reached 2.455 billion kilowatts, representing 60.7% of the country's total installed power generation capacity. In the field of ecology and environmental protection, efforts continued to be focused on the three major campaigns to safeguard blue skies, clear waters and clean soil, while advancing the integrated management of multiple pollutants and expanding the pilot programme for "waste-free cities". The national carbon emissions trading market was steadily expanded and refined; the voluntary greenhouse gas emissions reduction mechanism and the carbon footprint management system covering the entire industrial chain were accelerated; and market-based carbon reduction tools were further enhanced, helping to upgrade the green competitiveness of industrial chains.

4.2 Business Development Overview

In the first half of 2026, the Company embraced and practised the corporate values of "Creation, Quality and Brand", accelerated the "Two-Pronged" transformation and integrated development, continued to strengthen its core businesses with competitive advantages, consolidated asset quality, and strove to promote the Company's high-quality development to achieve a solid start to the "15th Five-Year Plan".

Shouldering the mission of serving the overall national interests. The Company was fully committed to advancing the construction of a "Transport-Power Nation" in a substantive and effective manner, and integrated deeply into major national strategies such as the coordinated development of the Beijing-Tianjin-Hebei region, the integrated development of the Yangtze River Delta, and the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Key projects such as the Xi'an-Shiyan High-Speed Railway, the Ningma Urban Railway, Phase I of Wuhan Metro Line 12, and the Miyu Expressway in Yunnan were put into operation, while key engineering projects such as the Xihoumen Bridge and Xiamen's Third Eastern Corridor advanced steadily. The Company earnestly fulfilled its social responsibilities as a central state-owned enterprise, carrying out solid and effective assistance programmes for Xinjiang and Tibet as well as targeted assistance initiatives, and took full part in emergency relief and rescue operations following the Liuzhou earthquake and Typhoon Bavi.

Forging ahead amid operational pressures. In the first half of the year, the amount of new contracts was RMB1,005.68 billion, with a revenue of RMB473.107 billion and a profit before income tax of RMB13.548 billion. The operating cash conversion ratio improved by 16.13 percentage points year-on-year, the debt-to-asset ratio decreased by 0.7 percentage point compared with the beginning of the year, and trade payables and bills payable decreased by RMB70.715 billion compared with the beginning of the year. Against a backdrop of contracting industry demand and intensifying competition, the Company stabilised its core development foundations and demonstrated strong resilience. It rigorously enforced project performance management, implemented enhanced management of key and challenging projects, strengthened the coordinated allocation of resources, and made every effort to ensure the progress of construction projects. It carried out in-depth special campaigns to recover outstanding receivables, strengthened cash flow control, accelerated the disposal of inefficient and non-performing assets, and effectively reduced the debt-to-asset ratio, thereby robustly safeguarding the security of its cash flow.

Pressing ahead with reform and innovation in greater depth. Reforms in key areas advanced in depth; the Company's "15th Five-Year Plan" development blueprint was systematically mapped out; specialised integration was steadily advanced; and three-system reforms were deepened. Reforms to strengthen the industrial workforce were thoroughly advanced, with increased efforts to establish in-house specialised operational teams and in-house work crews for key production processes. The effectiveness of scientific and technological innovation improved at a faster pace. Key tasks, such as the third phase of the Central State-Owned Enterprises Key Projects Initiative and the original technology source sites initiative, proceeded in an orderly manner, with two achievements showcased at the 2026 World Artificial Intelligence Conference. Positive progress was made in the preparatory work for the Central SOEs Tunnel Boring Machine Innovation Consortium and the International Organisation for Underground Transport Engineering. Seven scientific and technological achievements were honoured with National Science and Technology Awards, with the Company ranking first among central SOEs in the construction sector in terms of the number of awards received.

Advancing high-quality "Belt and Road" cooperation. The Company deeply participated in high-quality "Belt and Road" cooperation. It fully leveraged its comprehensive strengths in core technological fields such as the survey and design of major infrastructure, engineering construction, high-end equipment and mineral resources, coordinated both domestic and international markets and integrated high-quality global resources to push forward its "going global" strategy. During the reporting period, the Company successfully secured contracts for key projects including Ho Chi Minh City Metro Line 2 in Vietnam, the Arenor Molybdenum Mine Stripping and Mine Construction Project in Sukhbaatar Province, Mongolia, and the NESBA & SAFA Apartment Block Project in Sharjah, United Arab Emirates. Construction commenced on the China-Kyrgyzstan-Uzbekistan Railway, freight services commenced on the Hungarian section of the Hungary-Serbia Railway, and the Ulaanbaatar Central Sewage Treatment Plant, a major China-Mongolia cooperation project, was officially commissioned. Core equipment products, such as shield machines and TBMs, achieved rolling operations in high-end markets including Italy and Austria.

In the first half of 2026, the Company's new contract value amounted to RMB1,005.68 billion, representing a year-on-year decrease of 9.3%. Among which, domestic business recorded new contracts amounting to RMB935.09 billion, representing a year-on-year decrease of 5.0%, while overseas business recorded new contracts amounting to RMB70.59 billion, representing a year-on-year decrease of 43.5%.

Value of New Contracts

Unit: '00 million Currency: RMB

Types of business		First half of 2026	First half of 2025	Year-on-year change
Engineering construction		**7,243.2**	7,392.4	-2.0%
Including	Railway	**794.1**	1,512.3	-47.5%
	Highway	**718.6**	497.8	44.4%
	Municipal Affairs	**762.7**	748.2	1.9%
	Urban rail transit	**417.3**	236.8	76.2%
	Building construction	**3,720.6**	3,653.0	1.9%
	Others	**829.9**	744.3	11.5%
Design and consulting		**97.5**	126.6	-23.0%
Equipment manufacturing		**272.5**	233.6	16.7%
Property development		**175.4**	183.5	-4.4%
Asset operation		**216.4**	1,286.9	-83.2%
Resource utilization		**218.6**	145.0	50.8%
Financial and merchandise trading		**318.3**	286.3	11.2%
Emerging businesses		**1,514.9**	1,432.6	5.7%
Including	Hydropower	**332.0**	325.3	2.1%
	Clean energy	**279.3**	240.2	16.3%
	Ecological and environmental protection	**259.1**	253.7	2.1%
	Urban operations	**0.4**	176.6	-99.8%
	Airports and waterways	**103.7**	93.0	11.5%
	Others	**540.4**	343.8	57.2%
Total		**10,056.8**	11,086.9	-9.3%
Including	Domestic	**9,350.9**	9,838.2	-5.0%
	Overseas	**705.9**	1,248.7	-43.5%

Engineering construction

The Company's construction business covers sectors including railways, highways, municipal works, building construction and urban rail transit, with operations spanning more than 100 countries and regions across the globe. The Company holds Special Grade qualifications for general contracting in a wide range of construction sectors, including railway engineering, highway engineering, municipal public works, building construction, port and waterway engineering, water conservancy and hydropower engineering, and mining engineering. The Company's basic business model is to secure orders through market competition both domestically and internationally, and to undertake survey, design, procurement, construction, operation and other tasks of engineering projects in accordance with contractual agreements through approaches such as engineering, procurement and construction and general contracting, while being responsible for the quality, safety and schedule of the contracted projects. The Company has long maintained a leading position in China's infrastructure construction industry and is one of the largest construction engineering contractors in the world. The Company owns three national laboratories (engineering research centres), namely the National Engineering Research Centre for High-Speed Railway Construction Technology (高速鐵路建造技術國家工程研究中心), the National Key Laboratory of Tunnel Boring Machines and Intelligent Operation and Maintenance (隧道掘進機及智能運維全國重點實驗室), and the National Key Laboratory of Intelligent and Green Bridge Construction (橋梁智能與綠色建造全國重點實驗室), as well as 10 postdoctoral workstations, one national-local joint engineering research centre (the National-Local Joint Engineering Research Centre for Digital Rail Transit Technology Research and Application), and 62 provincial and ministerial-level R&D centres (laboratories). The Company represents the most advanced technological level in China in terms of the construction of railways, bridges, tunnels and rail transit in China. The Company is one of the major infrastructure construction forces under the "Belt and Road" initiative, and the main contractor for representative "Belt and Road" projects including the China-Laos Railway, the Jakarta-Bandung High-Speed Railway in Indonesia, the Hungary-Serbia Railway, the Padma Bridge and Railway Connection Project in Bangladesh, and the China-Kyrgyzstan-Uzbekistan Railway.

Design and consulting

The Company's design and consulting services are at the forefront of the industry, covering the full spectrum of infrastructure development, from preliminary research, planning consultancy, cost evaluation, survey and design, construction supervision, and general contracting to product industrialisation. The Company's businesses span a wide range of traditional advantageous sectors, including railways, urban rail transit, highways, municipal works, building construction, water transport, water conservancy, and hydropower survey and design. The Company is also actively expanding into new sectors and fields such as new infrastructure, smart transport, civil aviation airports, ports and terminals, urban regeneration, compressed air energy storage, and energy conservation and environmental protection. The Company's basic business model involves securing design and consulting orders through market-oriented competition both domestically and internationally, and providing design, consulting and related services for engineering projects in accordance with contractual agreements. Besides, the Company deeply integrates new technologies such as Building Information Modelling (BIM), artificial intelligence and "air-space-ground" integration, continuously exploring innovative production and operation models for design and consulting business. By fully leveraging its core advantages in the planning of urban transportation infrastructure, and driven by both market traction and spatial expansion, the Company utilises digital and intelligent transformation to activate new quality productive forces, continuously strengthening its integrated service capabilities across the industrial chain to achieve collaborative and mutually beneficial development throughout the entire industrial chain. In the 2026 ENR rankings of the world's 150 largest design firms and the 225 largest international design firms, the Company was ranked 34th and 131st respectively.

Equipment manufacturing

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

Property development

The Company's property development business possesses integrated capabilities across the entire industry chain, including investment and financing, design and research and development, construction, commercial operations, property management and asset revitalisation, enabling it to provide comprehensive solutions and services for integrated urban development and operations. Business scope covers a variety of business formats including secondary property development, primary land preparation, urban regeneration, social housing, properties above metro stations, cultural tourism and wellness, and industrial real estate. In recent years, the Company's property business has remained focused on major national development strategies, implemented property market regulation policies, actively responded to urban renewal initiatives and the call for 'quality housing', and endeavoured to establish a new model for property development. By accelerating the transformation and upgrading of its property operations, the Company is gradually shifting from traditional commercial property development towards integrated urban development that combines multiple business formats, industries and functions. In the first half of 2026, the Company's property business proactively addressed new market developments. On the one hand, it continued to optimise its investment layout and structure, with new investments concentrated on high-quality projects in core first- and second-tier cities; it implemented a comprehensive business management philosophy, newly commenced projects fully implemented the "Good Homes" construction standards, and focused on enhancing product competitiveness. On the other hand, it intensified efforts to drive sales and cash inflows from existing projects, scientifically managed the investment pace of existing projects, adhered to a "production based on sales" approach, and fostered a virtuous cycle of investment recovery.

Asset operation

The scope of the Company's asset management operations primarily comprises the operational management and asset management of infrastructure investment projects, covering a wide range of sectors including urban rail transport, motorways, underground utility tunnels, water and environmental protection, and industrial parks. Its operations span most cities and regions across the country. The business encompasses three operational models: independent operation, joint operation and entrusted operation. The Company has established the operational brand of China Railway in the motorway and water and environmental protection sectors. The Company vigorously advanced the high-quality development of its asset management business, focusing on enhancing the ability to create value throughout the full life cycle of investment projects. It comprehensively assessed projects' financial viability over their entire life cycle and capital recovery periods, while continuously strengthening risk management and control; it proactively identified and cultivated high-quality projects with potential for revitalisation, and intensified research into and application of revitalisation measures such as publicly offered REITs, quasi-REIT structures, Pre-REITs and equity capital swaps.

Resource utilization

The Company's resource utilization business primarily focuses on the operation and development of mining assets. Currently, the Company has invested in and commissioned five modern mines at home and abroad through wholly-owned, controlling or equity-participation arrangements: Luming Molybdenum Mine in Heilongjiang, Luishia Copper-Cobalt Mine, MKM Copper-Cobalt Mine, and Huagang SICOMINES Copper-Cobalt Mine in the DRC, as well as Ulaan Lead-Zinc Mine in Mongolia, all of which maintain sound production and operation status. In recent years, the Company has steadily advanced the development of its mineral resources. In March 2026, a joint venture formed by China Railway Resources, a wholly-owned subsidiary of the Company, and China Gold International successfully secured the exploration rights for the Fuxingtun Silver-Lead-Zinc Polymetallic Mine in Xing'an League. Related work on this project has been progressing in an orderly manner. Following years of development, the Company's digital and intelligent empowerment of mining operations and its green, low-carbon development have reached new heights. Luming Mining's "Molybdenum Light Large Model" platform has been deeply integrated into the entire production and operation process, effectively reshaping cross-system collaborative operation models, and has received authoritative national certification as a "5G Factory". In the first half of 2026, the Company's mineral resources business maintained steady production and operation, producing 158,200 tonnes of cathode copper, 2,968 tonnes of cobalt metal, 7,077 tonnes of molybdenum metal, 5,620 tonnes of lead metal, 13,500 tonnes of zinc metal and 22 tonnes of silver metal.

Basic Information on Mining Resource Projects (as at 30 June 2026)

No.	Project name	Mining resource Type	Grade	Retained resources/ reserves *(tons)*	Equity ratio *(%)*	Planned total investment *(RMB'00 million)*	Accumulated investment of the project *(RMB'00 million)*	Production quantity in the reporting period *(tons)*	Project progress
1	Luming Molybdenum Mine, Yichun City of Heilongjiang	Molybdenum	0.09%	577,721	83%	60.17	60.26	7,077.27	In normal production
		Copper	/					0	
2	SICOMINES Copper-Cobalt Mine	Copper	3.15%	5,857,171	41.72%	45.86	32.85	136,903.51	In normal production
		Cobalt	0.25%	480,584				2,967.86	
3	Luishia Copper-Cobalt Mine	Copper	2.18%	428,928	67%	21.38	21.60	10,816.85	In normal production
		Cobalt	0.08%	16,994				0	
4	MKM Copper-Cobalt Mine	Copper	2.08%	31,048.66	75.2%	11.95	12.35	10,439.62	In normal production
		Cobalt	0.21%	3,158.95				0	
5	Wulan Lead and Zinc Mine, Xinxin Company	Lead	1.15%	146,673	100%	15.4	15.4	5,619.51	In normal production
		Zinc	2.89%	365,758				13,458.03	
		Silver	56.49 g/t	706				22.01	
6	Muhaer Lead and Zinc Mine, Xinxin Company	Lead	0.63%	41,141	100%	–	–	–	Under exploitation
		Zinc	2.37%	154,709					
		Silver	118.17g/t	770					
7	Wurile Ovoo and Zhanggai Tolgoi Gold Mine, Xinxin Company	Gold	3g/t	3	100%	–	–	–	Not yet exploited
8	Silver-Lead-Zinc Polymetallic Mine, Chafu, Xianglong Mineral Co., Ltd.	Lead	7.00%	89,693	100%	3.3	–	–	Ceased production
		Zinc	5.09%	65,190					
		Silver	200.39g/t	257					
9	Fuxingtun Silver-Lead-Zinc Polymetallic Mine	Lead	0.62%	135,200	30%	–	–	–	Preliminary exploration stage
		Zinc	1.34%	235,700					
		Silver	194.17g/t	5,105					

Financial and merchandise trading

(1) Financial business

The Company has rigorously implemented the requirements of national financial regulatory policies, adhered to the core positioning of serving the real economy and empowering the principal construction business, and upheld the operating principles of "serving internal needs, focusing on principal business development, insisting on value creation and prioritizing benefit allocation". The Company has optimized the allocation of financial resources, focused on high-quality and efficient assets, improved the comprehensive risk prevention and control system, and firmly safeguarded the bottom line of preventing systemic financial risks. The Company possesses complete financial business qualifications and a well-established business layout, holds the financial licenses for trust, finance company and public fund, and is approved to engage in such financial business as assets management, private equity fund, insurance brokerage, finance lease and commercial factoring, which the State-owned Assets Supervision and Administration Commission (the "**SASAC**") allows to be conducted in a prudent and regulated manner. The Company has built a multi-level, wide-span and differentiated collaborative service system of "finance and quasi-finance" represented by China Railway Trust Co., Ltd., China Railway Finance Co., Ltd. and China Railway Capital Co., Ltd.

(2) Merchandise trading

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

Emerging business

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

4.3 Scientific Research Investment and Technological Achievements

As an ultra-large construction central enterprise, the Company proactively served the national innovation landscape, deeply integrated into the national innovation system, and actively undertaken various major innovation projects. The Company coordinated the implementation of key special projects including technological breakthrough projects, the construction of original technology sources, the cultivation of future industries such as deep underground space, and the establishment of high-quality datasets, to fully accelerate the development of new quality productive forces. During the reporting period, the Company continued to optimize the allocation of R&D resources, and focused resources on core areas of the main business such as long-span bridges, complex geological tunnels, railway communications engineering, signal engineering, electrical engineering and electrification engineering (四電) projects, high-end engineering equipment, and intelligent construction technologies. Meanwhile, the Company continuously strengthened its fundamental research capabilities, concentrated efforts on overcoming key and core technologies in the industry, and focused on resolving critical technological bottlenecks in the engineering sector.

Looking ahead, the Company will continue to implement the innovation-driven development strategy and maintain a stable and reasonable intensity of R&D investment. Focusing on the technical demands of major national projects such as plateau railways and large-scale hydropower, and closely adhering to its transformation and upgrading goals, the Company will address shortcomings, strengthen weak areas, leverage advantages and consolidate the foundation. The Company will continue to deepen basic research and key technological breakthroughs, build a collaborative and efficient innovation system integrating industry, academia, research and application, accelerate the industrialization of scientific and technological achievements, and continuously lead and support the high-quality development of the Company through technological innovation.

4.4 Consolidated Results of Operations

A comparison of the financial results for the six months ended 30 June 2026 and the corresponding period of 2025 is set forth below.

Revenue

In the first half of 2026, the Group's revenue decreased year-on-year by 7.7% to RMB473.107 billion, mainly due to the decrease in revenue from infrastructure construction business. Among which, the revenue generated from overseas was RMB36.705 billion, basically the same as the same period of last year.

Cost of sales and services and gross profit

The Group's cost of sales and services primarily includes cost of raw materials and consumables, subcontracting cost, equipment usage cost (consisting of maintenance, rental and fuel), employee compensation and benefits and depreciation and amortization expenses. For the six months ended 30 June 2026, the Group's cost of sales and services decreased year-on-year by 7.4% to RMB435.447 billion. In the first half of 2026, gross profit of the Group decreased year-on-year by 11.2% to RMB37.660 billion. The gross profit margin was 8.0%, representing a decrease of 0.3 percentage point from 8.3% for the same period of last year.

Other income

The Group's other income primarily consists of interest income from other financial assets at amortised cost and subsidies from government. For the six months ended 30 June 2026, the Group's other income was RMB1.386 billion, representing a decrease of 37.8% from the same period of last year. It was mainly due to the decrease in interest income from other financial assets at amortised cost.

Other expenses

The Group's other expenses primarily includes penalty cost, lawsuit expenditure and others. For the six months ended 30 June 2026, other expenses increased by 39.0% to RMB0.670 billion from the same period of last year, mainly due to the increase in penalty cost and lawsuit expenditure.

Net impairment losses on financial assets and contract assets

The Group's net impairment losses on financial assets and contract assets mainly includes impairment losses on trade and other receivables, contract assets and other financial assets at amortised cost. For the six months ended 30 June 2026, the Group's net impairment losses on financial assets and contract assets was RMB1.838 billion, representing a year-on-year decrease of 11.3%. It was mainly due to the decrease in impairment losses on trade and other receivables.

Other gains and losses, net

The Group's other gains and losses, net mainly include gains and losses on disposal/write-off of right-of-use assets and property, plant and equipment, foreign exchange gains/losses, and gains and losses on changes in the fair value of financial assets/liabilities through profit and loss. The other losses, net for the first half of 2026 was RMB359 million (first half of 2025: other losses, net of RMB14 million), which mainly includes net gains of RMB142 million on disposal/write-off of property, plant and equipment and foreign exchange losses, net of RMB750 million.

Losses from derecognition of financial assets at amortised cost

The Group's losses from derecognition of financial assets at amortised cost mainly include the losses arising on derecognition of trade receivables and bills receivables which were transferred in accordance with asset-backed medium-term notes ("**ABN**") and asset-backed securities ("**ABS**") issuance, non-recourse factoring agreements and bills receivables discounting arrangements. In the first half of 2026, the Group's losses from derecognition of financial assets at amortised cost was RMB1.498 billion, representing a year-on-year decrease of 3.0%. For the six months ended 30 June 2026, the Group transferred trade receivables of RMB33.003 billion and long-term trade receivables of RMB1.386 billion under the issuance of ABN and ABS, respectively (first half of 2025: RMB29.233 billion and RMB1.502 billion, respectively) and transferred trade receivables of RMB7.163 billion and long-term trade receivables of RMB1.387 billion under non-recourse factoring agreements, respectively (first half of 2025: RMB10.226 billion and RMB0, respectively).

Selling and marketing expenses

The Group's selling and marketing expenses primarily consist of employee compensation and benefits, and advertising costs. For the six months ended 30 June 2026, the Group's selling and marketing expenses was RMB2.824 billion, representing a decrease of 0.9% from the same period of last year. It was mainly due to the decrease in sales and marketing expenses of real estate business. Selling and marketing expenses as a percentage of total revenue was 0.6% for the first half of 2026, basically the same as the same period of last year.

Administrative expenses

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortization of its assets related to administration. For the six months ended 30 June 2026, the Group's administrative expenses was RMB9.941 billion, representing a decrease of 11.2% from the same period of last year. It was mainly due to the Group's continued strengthening of management expense control and expenditure reduction. Administrative expenses as a percentage of total revenue for the first half of 2026 was 2.1%, representing a decrease of 0.1 percentage point as compared to 2.2% for the same period of last year.

Research and development expenditures

For the six months ended 30 June 2026, the Group's research and development expenditures was RMB6.520 billion, representing a decrease of 19.6% from the same period of last year. The Group's investment in research and development continued to remain at a high level.

Finance costs, net

For the six months ended 30 June 2026, the Group's finance costs, net (finance costs less finance income) was RMB3.631 billion, representing an increase of 24.3% from the same period of last year. It was mainly due to the decrease in interest income from bank deposits.

Profit before income tax

The Group's profit before income tax for the six months ended 30 June 2026 decreased by 19.5% to RMB13.548 billion from RMB16.823 billion for the same period of last year.

Income tax expense

For the six months ended 30 June 2026, the Group's income tax expense was RMB3.658 billion, representing a decrease of 0.6% from the same period of last year. By excluding the effect of land appreciation tax, the effective corporate income tax rate of the Group was 25.8% for the first half of 2026, representing an increase of 6.0 percentage points from 19.8% for the same period of last year, mainly due to the increase in the divergence in profit-and-loss performance among subsidiaries.

Profit for the period attributable to owners of the Company

Profit for the period attributable to owners of the Company for the six months ended 30 June 2026 was RMB8.655 billion, representing a decrease of 26.8% from the same period of last year. The profit margin of the profit for the period attributable to owners of the Company for the first half of 2026 was 1.8%, representing a decreased of 0.5 percentage point from 2.3% for the same period of last year.

4.5 Segment Results

The revenue and results of each segment of the Group for the six months ended 30 June 2026 are set forth in the table below.

Business segment	Revenue	Growth rate	Profit/(loss) before income tax	Growth rate	Profit/(loss) before income tax margin[1]	Revenue as a percentage of total	Profit/(loss) before income tax as a percentage of total
	RMB million	*(%)*	*RMB million*	*(%)*	*(%)*	*(%)*	*(%)*
Infrastructure construction	410,396	-8.5	12,796	-19.1	3.1	83.6	94.2
Design and consulting	7,626	-19.0	460	-28.1	6.0	1.6	3.4
Equipment manufacturing	15,952	-1.2	711	-13.8	4.5	3.3	5.2
Property development	11,299	-28.6	(2,856)	97.9	-25.3	2.3	-21.0
Other businesses	45,023	-2.6	2,480	6.1	5.5	9.2	18.2
Inter-segment eliminations and adjustments	(17,189)		(43)				
Total	**473,107**	**-7.7**	**13,548**	**-19.5**	**2.9**	**100.0**	**100.0**

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

Infrastructure construction

Revenue from the operation of the Group's infrastructure construction business is mainly derived from railway, highway and municipal works construction. Revenue from the operation of the infrastructure construction business continues to account for a high percentage of total revenue of the Group. For the first half of 2026, the revenue from the infrastructure construction business accounted for 83.6% of the total revenue of the Group (first half of 2025: 83.6%). For the first half of 2026, the Group's revenue from the infrastructure construction business was RMB410.396 billion, representing a decrease of 8.5% from the same period of last year. Gross profit margin and profit before income tax margin of the infrastructure construction segment for the first half of 2026 was 6.5% and 3.1%, respectively (first half of 2025: 6.9% and 3.5%, respectively). The decrease in gross profit margin and profit before income tax margin was mainly due to the decrease in profitability of railway and municipal works businesses.

Design and consulting

Revenue from the operation of the design and consulting business primarily derives from providing a full range of survey, design and consulting services, research and development, feasibility studies and supervision services on infrastructure construction projects. For the first half of 2026, the Group's revenue from design and consulting business amounted to RMB7.626 billion, representing a decrease of 19.0% from the same period of last year. For the first half of 2026, gross profit margin and profit before income tax margin was 23.5% and 6.0%, respectively (first half of 2025: 25.0% and 6.8%, respectively). The decrease in gross profit margin and profit before income tax margin was mainly due to the high design difficulty and high investment cost of certain design projects.

Equipment manufacturing

Revenue from the operation of the equipment manufacturing business primarily derives from the design, research and development, manufacture and sale of turnouts and other railway equipment, bridge steel structures and engineering machinery. For the first half of 2026, the Group's revenue from the equipment manufacturing business decreased by 1.2% to RMB15.952 billion from the same period of last year. For the first half of 2026, gross profit margin and profit before income tax margin was 18.4% and 4.5%, respectively (first half of 2025: 18.3% and 5.1%, respectively).

Property development

For the first half of 2026, revenue of property development business decreased by 28.6% to RMB11.299 billion from the same period of last year. Gross profit margin and profit before income tax margin for the first half of 2026 was 5.6% and -25.3%, respectively (first half of 2025: 8.3% and -9.1%, respectively). The decrease in gross profit margin and profit before income tax margin was mainly due to the continuous decline of real estate market.

Other businesses

For the first half of 2026, the Group has progressively implemented its limited-relevant diversification strategy. Revenue of other businesses decreased by 2.6% to RMB45.023 billion from the same period of last year. Gross profit margin and profit before income tax margin for the first half of 2026 was 17.7% and 5.5%, respectively (first half of 2025: 17.5% and 5.1%, respectively). Among which: ① revenue from infrastructure operation business increased year-on-year by 61.6% to RMB3.621 billion; ② revenue from mineral resources business increased year-on-year by 32.6% to RMB5.345 billion; ③ revenue from merchandise trading business decreased year-on-year by 16.1% to RMB23.822 billion; and ④ revenue from financial business decreased year-on-year by 10.0% to RMB2.022 billion.

4.6 Cash Flow

For the six months ended 30 June 2026, the net cash outflow from operating activities of the Group amounted to RMB86.661 billion, representing an increase compared with the net cash outflow of RMB79.630 billion for the first half of 2025. It was mainly because payments from certain owners of the Group's engineering projects were delayed. At the same time, in order to ensure the orderly advancement of production and operations, the Group abided by its contracts and paid suppliers in a timely manner. For the six months ended 30 June 2026, the net cash outflow from investing activities of the Group amounted to RMB19.584 billion, representing an increase compared with net cash outflow of RMB13.078 billion for the first half of 2025. It was mainly due to the year-on-year decrease in cash received from other investing-related activities and the year-on-year increase in investment of long-term assets. For the six months ended 30 June 2026, the net cash inflow from financing activities of the Group amounted to RMB48.875 billion, representing a decrease compared with the net cash inflow of RMB51.978 billion for the first half of 2025. It was primarily due to the decrease in cash received from borrowings from the same period of last year.

Capital expenditure

The capital expenditure of the Group primarily comprises expenditure on purchases of equipment, upgrading of the Group's production facilities and investment in infrastructure investment projects under intangible assets mode. The Group's capital expenditure for the first half of 2026 was RMB27.307 billion (among which, RMB18.255 billion was for purchase of intangible assets and RMB7.896 billion was for purchase of fixed assets), representing an increase of 20.9% as compared to RMB22.593 billion for the same period of last year.

Working capital

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
Inventories	**84,355**	73,478
Trade and bills receivables	**498,077**	485,946
Trade and bills payables	**869,841**	940,556
Turnover of inventory *(days)*	**33**	26
Turnover of trade and bills receivables *(days)*	**187**	139
Turnover of trade and bills payables *(days)*	**374**	310

As at 30 June 2026, the Group's inventories were RMB84.355 billion, representing an increase of 14.8% as compared to the end of 2025. The inventory turnover days for the first half of 2026 increased to 33 days, representing an increase from 26 days for the year of 2025.

Trade and bills receivables

As at 30 June 2026, the Group's trade and bills receivables were RMB498.077 billion, an increase of 2.5% from RMB485.946 billion as at the end of 2025. The turnover days of trade and bills receivables increased from 139 days for 2025 to 187 days for the first half of 2026. Based on the ageing analysis of the trade and bills receivables, most of the Group's trade and bills receivables were of less than one year and the trade and bills receivables of more than one year accounted for 17.9% (31 December 2025: 17.0%) of the total amount, reflecting the sound receivables management capability of the Group.

The following table sets forth the ageing analysis of the Group's trade and bills receivables as at 30 June 2026 and 31 December 2025, based on invoice date.

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
Less than 1 year	**409,102**	403,509
1 year to 2 years	**35,918**	38,578
2 years to 3 years	**15,291**	12,765
3 years to 4 years	**10,829**	11,301
4 years to 5 years	**9,392**	4,486
More than 5 years	**17,545**	15,307
Total	**498,077**	485,946

Trade and bills payables

The Group's trade and bills payables primarily consist of amounts due to the Group's suppliers of raw materials, machinery and equipment. As at 30 June 2026, the Group's trade and bills payables were RMB869.841 billion, representing a decrease of 7.5% from the end of 2025, mainly because payments were made according to the progress of contract performance. The turnover days of trade and bills payables for the first half of 2026 were 374 days, an increase of 64 days from 310 days for 2025. Based on the ageing analysis of the trade and bills payables, most of the Group's trade and bills payables were of less than one year and the trade and bills payables of more than one year accounted for 16.7% (31 December 2025: 14.7%) of the total amount.

The following table sets forth the ageing analysis of the Group's trade and bills payables as at 30 June 2026 and 31 December 2025, based on invoice date.

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
Less than 1 year	**724,921**	802,695
1 year to 2 years	**85,137**	84,538
2 years to 3 years	**32,821**	27,312
More than 3 years	**26,962**	26,011
Total	**869,841**	940,556

4.7 Borrowings

The following table sets forth the Group's total borrowings as at 30 June 2026 and 31 December 2025.

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
Bank borrowings		
Secured	**170,461**	165,906
Unsecured	**360,191**	316,936
	530,652	482,842
Long-term debentures, unsecured	**62,876**	58,842
Other borrowings		
Secured	**1,203**	1,109
Unsecured	**23,882**	25,371
Total	**618,613**	568,164
Long-term borrowings	**446,598**	426,368
Short-term borrowings	**172,015**	141,796
Total	**618,613**	568,164

As at 30 June 2026, the Group's long-term borrowings were RMB446.598 billion, representing an increase of 4.7% from the end of 2025, mainly due to the increase in borrowings for infrastructure investment projects as construction progressed; while the Group's short-term borrowings were RMB172.015 billion, representing an increase of 21.3% from the end of 2025, mainly due to the fulfillment of liquidity needs.

Bank borrowings carry interest rates ranging from 0.74% to 10.17% (31 December 2025: 1.00% to 10.17%) per annum. Long-term debentures carry fixed interest rates ranging from 1.51% to 4.00% (31 December 2025: 1.86% to 4.00%) per annum. Other borrowings carry interest rates ranging from 1.50% to 5.34% (31 December 2025: 1.50% to 5.44%) per annum. For the first half of 2026, the average cost of financing was 2.63%, representing a year-on-year decrease of 0.29 percentage point.

The following table sets forth the maturity of the Group's borrowings as at 30 June 2026 and 31 December 2025.

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
Less than 1 year	**172,015**	141,796
1 year to 2 years	**56,919**	51,909
2 years to 5 years	**109,822**	101,656
More than 5 years	**279,857**	272,803
Total	**618,613**	568,164

As at 30 June 2026 and 31 December 2025, the Group's bank borrowings comprised floating-rate bank borrowings amounting to RMB328.284 billion and RMB345.537 billion, respectively. The Group's borrowings are primarily denominated in Renminbi and foreign currency borrowings are primarily denominated in U.S. dollars.

The following table sets forth the details of the Group's secured borrowings as at 30 June 2026 and 31 December 2025.

	As at 30 June 2026		As at 31 December 2025	
	Secured borrowings	**Carrying value of pledged assets and contract value of certain rights**	Secured borrowings	Carrying value of pledged assets and contract value of certain rights
	RMB million	***RMB million***	*RMB million*	*RMB million*
Property, plant and equipment	**2,259**	**3,435**	2,565	4,849
Intangible assets	**113,717**	**156,933**	110,825	154,254
Properties under development for sale	**6,857**	**15,609**	6,079	13,214
Trade and bills receivables	**243**	**683**	165	532
Contract assets	**47,557**	**77,655**	46,689	77,731
Mining assets	**845**	**1,070**	504	1,070
Right-of-use assets	**186**	**157**	188	162
Total	**171,664**	**255,542**	167,015	251,812

As at 30 June 2026, the Group's gearing ratio (total liabilities/total assets) was 77.4%, representing a decrease of 0.7 percentage point from 78.1% as at 31 December 2025.

4.8 Contingent Liabilities

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

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
Pending lawsuits *(Note 1)*		
– arising in the ordinary course of business	**2,427**	1,753

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

4.9 Business Risks

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

1. **Real estate investment risk:** This refers to the possibility of incurring losses due to investment returns falling below expectations resulting from significant changes occurring in factors such as external environment, interest rates, market supply and demand, market competition and relevant policies during real estate project development and operation.

2. **International operation risk:** This refers to the possibility of financial losses or reputational damage exposed to the Company resulting from the negative impact of international political situation, foreign policy changes, administrative intervention from government, economic, social, environmental or technological standard changes and other factors on the Company's operations which caused that overseas production and operations cannot proceed normally.

3. **Infrastructure investment risk:** This refers to the possibility of incurring losses due to investment returns falling below expectations resulting from significant changes in external policies, market environment and financing conditions during infrastructure investment.

4. **Cash flow risk:** This refers to the possibility of financial losses or reputational damage exposed to the Company resulting from escalating financing scale, potential delays in payments, investments or debt repayment of the Company due to increased cash outflows, relatively slower cash inflows and significant financial pressure.

To strengthen the prevention and control of various risks, the Company continued to improve and refine its risk management and internal control system, regularly conducted major risk identification and assessment, dynamic monitoring, and early warning alerts, embedded risk control requirements into all business processes, identified key control points across each business process, established process control checklists with detailed control measures, gradually consolidated the responsibilities for risk control and key node management at every level, achieved deep integration of risk control with daily operation and management, and controlled risk triggers and hidden hazards from the source. The Company strictly implemented key control procedures including preliminary feasibility studies, planning, review, audit, approval and decision-making, strengthened dynamic whole-process control and post-evaluation review, and improved risk response strategies and special emergency plans, ensuring the overall controllability of the Company's various types of risks.

5 SIGNIFICANT EVENTS

5.1 Plan for Profit Distribution or Capitalization of Capital Reserves

Whether distributed or capitalized	Yes
Number of bonus shares for every 10 shares *(share)*	No
Dividend amount per 10 shares *(RMB)* (tax inclusive)	0.6374
Number of shares capitalized for every 10 shares *(share)*	No
Information on the plan for profit distribution or capitalization of capital reserves	

According to the Company's unaudited 2026 interim financial report, the retained earnings of the parent company at the beginning of 2026 were RMB109,322,000,001.19. Adding the parent company's net profit of RMB134,696,618.78 for the first half of the year, and deducting the cash dividends and perpetual notes interest of RMB2,585,872,688.29 for 2025, the distributable profit to shareholders of the parent company as of June 30, 2026 was RMB106,870,823,931.68.

The 2026 interim dividend plan is as follows: Based on the Company's total share capital of 24,531,310,329.00 shares as of the announcement date, a cash dividend of RMB0.6374 per 10 shares (inclusive of tax) will be distributed to all shareholders, totaling RMB1,563,625,720.37 (inclusive of tax), representing 18.06% of the consolidated net profit attributable to ordinary shareholders of the listed company of RMB8,655,784,579.12 for the first half of the year. After the distribution, the remaining undistributed profit is RMB105,307,198,211.31.

This profit distribution will be based on the total number of shares entitled to participate in the distribution registered on the record date. If the Company's total share capital changes between the date of this announcement and the record date for equity distribution, the distribution amount per share will remain unchanged, and the total distribution amount will be adjusted accordingly.

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

As of 31 December 2022, the 2021 restricted share incentive scheme of the Company (the "**2021 Restricted Share Incentive Scheme**") was fully implemented, including the initial grant of 170.7244 million restricted shares on 17 January 2022 and the grant of 11.9220 million reserved restricted shares on 2 November 2022. Among the 5 participants of the initial grant, 2 participants were transferred from the Company and ceased to take office in the Company due to organizational arrangements, 3 participants were disqualified from the 2021 Restricted Share Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws and regulations. The Company repurchased and cancelled 1,379,700 restricted shares that had been granted to the above 5 participants but not yet unlocked on 28 December 2022.

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

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

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

In addition, the Company completed the repurchase and cancellation of 7,384,576 restricted shares that had been granted to 43 participants but not yet unlocked on 25 December 2024. Among the participants under the first grant, 1 participant was transferred from the Company and ceased to take office in the Company due to organizational arrangements, 36 participants retired normally as the legal retirement age was reached and the time of retirement was more than 6 months before the selling restrictions were unlocked, 2 participants resigned from the Company during the employment contract period, 3 participants were disqualified from the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.; among the participants under the reserved grant, 1 participant received a competent performance rating in the 2022 annual individual performance appraisal (80% of the restricted shares were unlocked in the current period, while the remaining 20% of the restricted shares were repurchased and cancelled by the Company). The Company completed the repurchase and cancellation of 1,380,123 restricted shares that had been granted to 14 other participants under the first grant but not yet unlocked on 25 December 2024. Among the above mentioned 14 participants, 1 participant became unable to hold restricted shares of the Company after becoming a management leader of the State-owned Assets Supervision and Administration Commission of the State Council, 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was more than 6 months before the selling restrictions for the second batch were unlocked, 3 participants were disqualified from the 2021 Restricted Share Incentive Scheme due to incompetence for the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., 1 participant was transferred from the Company due to organizational arrangements and the time of transfer was less than 6 months before the selling restrictions for the second batch were unlocked but more than 6 months before the selling restrictions for the third batch were unlocked, 6 participants retired normally as the legal retirement age was reached and the time of retirement was less than 6 months before the selling restrictions for the second batch were unlocked but more than 6 months before the selling restrictions for the third batch were unlocked, and 2 participants received a competent performance rating in the 2023 annual individual performance appraisal (80% of the restricted shares were unlocked in the current period, while the remaining 20% of the restricted shares were repurchased and cancelled by the Company).

On 13 March 2025, before the expiration of the second unlocking period, among 640 participants of the second batch who were qualified for unlocking conditions under the initial grant under the 2021 Restricted Share Incentive Scheme (the number of restricted shares that could apply for unlocking was 51,877,822 shares), 2 participants became unable to hold restricted shares of the Company and 3 participants were disqualified from the 2021 Restricted Share Incentive Scheme. The Company shall repurchase and cancel all the restricted shares that had been granted to the aforementioned 5 participants but have not yet been unlocked and adjust the matters related to the unlocking of the second batch under the initial grant, the number of participants of the second batch who were qualified for unlocking conditions under the initial grant was adjusted to 635, and the number of restricted shares that could apply for unlocking is adjusted to 51,449,722 shares.

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

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

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

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

As of 30 June 2026, the total share capital of the Company was 24,531,310,329 shares, and there were no A shares with selling restrictions.

5.2.1 Summary of the 2021 Restricted Share Incentive Scheme

(i) Purpose of the 2021 Restricted Share Incentive Scheme

In order to further promote the establishment and improvement of the long-term incentive mechanism of the Company, attract and retain talents, fully incentivize the senior management personnel, middle management personnel and core personnel of the Group, effectively align the interests of the shareholders, the Company with the individual interests of the operators to focus on and work collectively for the long-term development of the Company, the 2021 Restricted Share Incentive Scheme was formulated in accordance with the relevant requirements under the Securities Law, the Company Law, the Articles of Association and other relevant laws and regulations as well as in conjunction with the current management systems such as the remuneration system and performance appraisal system of the Company.

(ii) Participants of the 2021 Restricted Share Incentive Scheme

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

(iii) Total number of shares available for issue under the 2021 Restricted Share Incentive Scheme and their percentage in the total shares issued as at the end of the reporting period

The number of restricted shares to be granted under the 2021 Restricted Share Incentive Scheme is not more than 200,000,000 A shares, of which 180,000,000 A shares are to be initially granted and 20,000,000 A shares are reserved. As of 30 June 2026, the 2021 Restricted Share Incentive Scheme was fully implemented. The Company granted 170,935,835 A shares under the 2021 Restricted Share Incentive Scheme (excluding the 67,353,754 restricted shares that were repurchased and canceled by the Company pursuant to the terms of the 2021 Restricted Share Incentive Scheme as of 30 June 2026), and the number of restricted shares issued accounted for approximately 0.84% of the total A share capital and 0.70% of the total share capital of the Company as of 30 June 2026.

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

The total number of the Company's restricted shares granted under the 2021 Restricted Share Incentive Scheme that are in effect to any of the participants shall not exceed 1% of the total A share capital of the Company at the time when the 2021 Restricted Share Incentive Scheme was submitted for approval at the general meeting. The value of the entitlements granted to senior management shall be determined at no more than 40% of the total remuneration level (including the value of interests granted) at the time of grant, and the value of the entitlements granted to other participants such as the core members in management, technology and business shall be determined reasonably by the Board of the Company.

(v) *The period within which the option may be exercised by the participants under the 2021 Restricted Share Incentive Scheme*

No options which may be exercised were granted under the 2021 Restricted Share Incentive Scheme.

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

The restricted shares granted under the 2021 Restricted Share Incentive Scheme do not have any vesting period as they were all vested with the participants at the same time as they were granted. The restricted shares have lock-up period. The lock-up periods of the restricted shares granted under the 2021 Restricted Share Incentive Scheme shall be 24 months, 36 months and 48 months from the relevant completion date of registration of the restricted shares under the corresponding grant. After the expiry of each of the three unlocking periods, 1/3 of the restricted shares under the first grant and the grant of the reserved shares will be unlocked. The restricted shares granted to the participants under the 2021 Restricted Share Incentive Scheme shall not be transferred, used for guarantee or debt repayment until the sales restrictions are released.

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

The amount payable for the acceptance of restricted shares is the grant price multiplied by the number of restricted shares granted. As of 30 June 2026, the total grant price was RMB605,330,497.29 (excluding the 67,353,754 restricted shares that were repurchased and cancelled by the Company as of 30 June 2026). The participants of the restricted shares of the first grant remitted the payment into the Company's fund-raising special account before the payment deadline of 28 January 2022, and the participants of the grant of the reserved restricted shares remitted the payment into the Company's fund-raising special account before the payment deadline of 16 November 2022.

(viii) *Basis of determining the grant price*

The grant price of the restricted shares under the first grant shall not be less than the nominal value of the shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices: 1. the average trading price of the underlying A shares of the Company on the last trading day immediately preceding the date of the relevant announcement of the first grant (the total transaction value for the last trading day/total volume of the shares of the Company traded for the last trading day); or 2. any of the average trading prices of the underlying A shares of the Company for the last 20 trading days, 60 trading days and 120 trading days immediately preceding the date of the relevant announcement.

The grant of the restricted shares under the reserved grant is subject to the consideration and passing of related resolutions by the Board and the disclosure of related information. The grant price of the restricted shares under the reserved grant shall not be less than the nominal value of the shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices: 1. the average trading price of the A shares on the last trading day immediately preceding the date of the announcement of Board resolutions on the reserved grant; 2. any of the average trading prices of the A shares for the last 20 trading days, 60 trading days or 120 trading days immediately preceding the date of the announcement of Board resolutions on the reserved grant.

(ix) Remaining life of the 2021 Restricted Share Incentive Scheme

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

(x) Agreement on the granting of restricted shares

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

5.2.2 Details of the restricted shares granted under the 2021 Restricted Share Incentive Scheme

Except for the 2021 Restricted Share Incentive Scheme which was implemented completely in the first half of 2026, the Company did not have any other share scheme which was applicable for the disclosure requirements of Chapter 17 of the Hong Kong Listing Rules during the reporting period. The following table sets forth the details of restricted shares granted in the first half of 2026.

Category of grantees	Particulars of outstanding options and unvested awards at the beginning and end of the first half of 2026	Number of shares with selling restrictions at the beginning of 2026	Number of shares released from selling restrictions in the first half of 2026	Number of shares with selling restrictions granted in the first half of 2026	Number of shares with selling restrictions as at 30 June 2026	Date of grant	Vesting period	Exercise period	Date of releasing selling restrictions Note 4	Price of grant *(RMB)*	Closing price prior to the date of grant *(RMB)*	Reasons for selling restrictions	Fair value of share-based payment *(RMB)*	Weighted average closing price *(RMB)*	Weighted average number of shares of the relevant class in issue in the first half of 2026	Restricted shares which lapsed in the first half of 2026
633 participants (employees) *Note 1&2*	Not applicable *Note 3*	0 *Note 4*	0	0	0	17 January 2022	Not applicable *Note 6*	Not applicable *Note 7*	24 months, 36 months, 48 months *Note 8*	3.55/share	5.94/share	Restricted Share Incentive Scheme	414.9 million *Note 9*	5.88/share *Note 10*	0.89% *Note 11*	Not applicable *Note 12*
50 participants (employees) *Note 1&2*		4,037,688 *Note 4*	4,037,688 *Note 5*	0	0	2 November 2022			24 months, 36 months, 48 months *Note 8*	3.68/share	5.06/share	Restricted Share Incentive Scheme	16.3 million *Note 9*			

Notes:

1. The participants of the 2021 Restricted Share Incentive Scheme are the employees of the Group, including (1) senior management of the Group; (2) middle management of the Group; and (3) core key personnel of the Group. The participants do not include (i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates; (ii) each participant with options and awards granted and to be granted in excess of 1% individual limit; or (iii) each related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue.

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

3. Under the 2021 Restricted Share Incentive Scheme, the restricted shares were granted to the participants directly, and it did not involve the grant of any options or awards in respect of which shares may be issued. Therefore, particulars of the outstanding options and unvested awards at the beginning and end of the first half of 2026 are not applicable. The number of restricted shares granted under the 2021 Restricted Share Incentive Scheme is not more than 200,000,000 A shares and 181,266,700 A shares have been granted by the Company in fiscal year 2022 and the 2021 Restricted Share Incentive Scheme was fully implemented (which means that no shares were available for grant under the 2021 Restricted Share Incentive Scheme at the beginning and end of the first half of 2026).

4. Conditions of grant of the restricted shares: the Company granted restricted shares to the participants upon satisfaction of all of the following conditions of grant, and no restricted shares would be granted to the participants if any of the following conditions of grant have not been satisfied. 1. None of the following events with respect to the Company has occurred: i. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the financial and accounting report of the Company for the latest accounting year; ii. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the internal control of the financial report of the Company for the latest accounting year; iii. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing; iv. prohibition from implementation of a share incentive scheme by laws and regulations; v. other circumstances as determined by the CSRC. 2. None of the following events with respect to the participant has occurred: i. he or she has been determined by the stock exchange as an ineligible person in the past 12 months; ii. he or she has been determined by the CSRC and any of its delegated agencies as an ineligible person in the past 12 months; iii. he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC and any of its delegated agencies due to material non-compliance of laws and regulations in the past 12 months; iv. he or she is prohibited from being a director or senior management of the Company under the Company Law; v. he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations; vi. he or she falls under any other circumstances as determined by the CSRC. 3. The Company is deemed to have achieved the performance target if all of the following conditions are satisfied: i. the average growth rate of the net profit for 2018 to 2020 shall not be less than 11.75%; ii. the average return on net assets for 2018 to 2020 shall not be less than 9.86%; iii. the economic value-added performance targets set by SASAC in 2020 are achieved. 4. The individual performance appraisal of the participants: the individual performance appraisal result of the participants in 2020 is competent or above.

5. On 9 January 2026, the total number of restricted shares unlocked and listed under the second unlocking period under the reserved grant of the 2021 Restricted Share Incentive Scheme of the Company was 3,973,988 shares. On 19 January 2026, the Company repurchased and cancelled 63,700 restricted shares held by 1 participant which were granted but had not met the unlocking conditions for the third unlocking period.

6. The restricted shares granted under the 2021 Restricted Share Incentive Scheme do not have any vesting period as they were all vested with the participants at the same time as they were granted.

7. No options which may be exercised were granted under the 2021 Restricted Share Incentive Scheme.

8. The lock-up periods of the restricted shares granted under the 2021 Restricted Share Incentive Scheme shall be 24 months, 36 months and 48 months from the relevant completion date of registration of the restricted shares under the corresponding grant. After the expiry of each of the three unlocking periods, 1/3 of the restricted shares granted under the first grant and the grant of the reserved shares will be unlocked.

9. In accordance with the relevant requirements of the "Accounting Standards for Business Enterprises No.11 – Share-based Payment", the Company shall measure the fair value of the restricted shares based on the market prices of the shares. On the measurement date, the fair value of share-based payment per restricted share shall equal the market price of the shares of the Company minus the grant price. Based on the data on 17 January 2022, the total amount of the fair value of share-based payment of the first grant of restricted shares by the Company to the participants was RMB414.9 million. The accounting treatment of the reserved restricted shares granted to the participants subsequently is the same as that of the restricted shares under the first grant. Based on the data on 2 November 2022, the total amount of the fair value of share-based payment of the reserved restricted shares granted by the Company to the participants was RMB16.3 million.

10. As of the respective dates of grants of restricted shares, the weighted average closing price immediately before the dates on which the restricted shares were granted was RMB5.88 per share.

11. The total number of restricted shares granted under the 2021 Restricted Share Incentive Scheme by the Company represents approximately 0.89% of the weighted average number of issued A shares of the Company during the first half of 2026.

12. Under the 2021 Restricted Share Incentive Scheme, the restricted shares were granted to the participants directly, and except for the restricted shares cancelled, it did not involve the grant of any options or awards which could lapse.

5.3 Performance Status of Undertakings

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

Undertaking Background	Type of Undertaking	Undertaking party	Content of undertaking	Timing and duration of undertaking	Whether there is a deadline for performance	Whether duly complied	If not duly complied, describe the specific reasons	If not duly complied, describe future plans
IPO-related undertakings	Non–competition	CREC	Upon the establishment of China Railway in accordance with the law, CREC and its subsidiaries (other than China Railway) shall not in any form, directly or indirectly, engage in or participate in or assist in engaging in or participating in any business that competes, or is likely to compete with the core businesses of China Railway and its subsidiaries. If CREC or its subsidiaries (other than China Railway) become(s) aware of any new business opportunity which directly or indirectly competes, or is likely to compete, with the core businesses of China Railway, it shall notify China Railway in writing of such business opportunity immediately upon becoming aware of it, and undertake that priority and a pre-emptive right of first refusal in respect of the business opportunity shall be available to China Railway or its subsidiaries. If CREC or any of its subsidiaries intends to transfer, sell, lease or license or otherwise assign to any third parties or permit them any new business opportunity, assets or interests that it may acquire in future and which may compete or is likely to compete, directly or indirectly, with the core businesses of China Railway, CREC shall ensure that such business opportunity, assets or interests will first be offered to China Railway or its subsidiaries.	None	No	Yes	/	/
Undertakings related to refinancing	Others	CREC	If China Railway is subject to administrative penalties or currently under case-filing investigation due to any undisclosed violation of laws and regulations in respect of idle land, land speculation, property hoarding and sales withholding and driving up housing prices, which causes losses to China Railway and its investors, CREC shall bear the liability for compensation according to the requirements of the relevant laws and administrative regulations and as required by the securities regulatory authorities.	Long-term	No	Yes	/	/

Notes:

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

2. The Company issued the Letter of CREC on Changing Undertakings on Certain Contingencies on 25 November 2020, pursuant to which, the performance term of the undertaking in relation to the handling of ownership certificates for defective real estate was changed to long term, which was considered and approved by the first extraordinary general meeting for 2020 of CRHIC on 25 December 2020. For details of the relevant undertakings, please refer to the Announcement of CRHIC on Changing the Performance Term of Undertakings on Certain Contingencies by the Controlling Shareholder of the Company disclosed on the website of the Shanghai Stock Exchange on 8 December 2020. The Company is currently strictly complying with all the undertakings.

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

4. When acquiring control of CRPCC, the Company and CREC respectively issued the Letter of Undertaking to Avoid Horizontal Competition with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., the Letter of Undertaking to Regulate the Related Party Transactions with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., and the Letter of Undertaking to Safeguard the Independence of Beijing Hengtong Innovation Luxwood Technology Co., Ltd. The above undertakings shall remain in force during the period in which the Company has control over Beijing Hengtong Innovation Luxwood Technology Co., Ltd. The Company and CREC are currently strictly complying with the undertakings.

5. When spinning off and listing CRHEEC on the STAR Market, the Company and CREC respectively issued the Undertakings on Avoiding Horizontal Competition, the Letter of Undertaking to Reduce and Regulate the Related Party Transactions, the Letter of Undertaking to Make up for Diluted Immediate Return and other undertakings. For details of the relevant undertakings, please refer to the Plan for China Railway Group Limited on the Spin-off of Its Subsidiary China Railway Highspeed Electrification Equipment Corporation Limited to be Listed on the STAR Market (Revision) disclosed on the website of the Shanghai Stock Exchange on 30 September 2020. The Company and CREC are currently strictly complying with all the undertakings.

5.4 Non-operating Occupation of Funds by the Controlling Shareholder and Other Related Parties during the Reporting Period

Not applicable

5.5 Non-compliant Guarantees

Not applicable

5.6 Auditors

5.6.1 Description of appointment and removal of auditors

On 30 March 2026, the Resolution on the Appointment of Auditor for the Financial Statements for 2026 and the Resolution on the Appointment of Auditor for Internal Control for 2026 were considered and approved at the 20th meeting of the sixth session of the Board of the Company. For details of the appointment of auditors, please refer to the Announcement of China Railway on the Re-appointment of Auditors (Announcement No.: Lin 2026-020) disclosed on the website of the Shanghai Stock Exchange on 31 March 2026. These resolutions were considered and approved at the 2025 annual general meeting of the Company on 29 June 2026. The Company has engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu to serve as the Company's domestic and overseas auditor for financial statements for 2026, respectively, and has engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the Company's internal control auditor for 2026. For further details, please refer to the circular relating to the 2025 annual general meeting disclosed on the website of the Hong Kong Stock Exchange on 27 May 2026, the Poll Results of Annual General Meeting Held on 29 June 2026 disclosed on the website of the Hong Kong Stock Exchange on 29 June 2026, and the Announcement of China Railway Group Limited on Resolutions of Annual General Meeting for the year 2026 disclosed by the Company on the website of the Shanghai Stock Exchange on 30 June 2026 (Announcement No.: Lin 2026-034).

5.6.2 Explanation of the Company on the "Modified Audit Report" from auditors

Not applicable

5.6.3 Changes in and handling of the matters arising from the modified audit opinions in the annual report for the previous year

Not applicable

5.7 Matters Relating to Insolvency or Restructuring

Not applicable

5.8 Material Litigation and Arbitration

The Company had no material litigation or arbitration during the reporting period.

5.9 Penalties and Rectification in respect of the Company and its Directors, Senior Management, Controlling Shareholders, Ultimate Controller and Acquirer

Not applicable

5.10 Integrity of the Company, its Controlling Shareholders and Ultimate Controllers during the Reporting Period

During the reporting period, the Company, its controlling shareholders and ultimate controllers operated in strict compliance with the requirements of the laws and regulations and normative documents, such as the Company Law and the Securities Law, and duly fulfilled all the undertakings without committing any default.

5.11 Significant Related Party Transactions

5.11.1 Related party transactions in the ordinary course of business

(i) Matters disclosed in announcements without subsequent progress or changes

Not applicable

(ii) Matters disclosed in announcements with subsequent progress or changes

Unit: Thousand Currency: RMB

Related Party	Related relationship	Type of related party transaction	Particulars of related party transaction	Pricing method of related party transaction	Price of related party transaction	Amount of related party transaction	Percentage of transaction value to the same type of transactions (%)
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of the parent company	Leasing service	Lease of office premises, etc.	Contract price	8,161	8,161	Less than 1%
China Railway State Assets Management Co., Ltd. and party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiary of the parent company	Receipt of labor services	Receipt of comprehensive services	Contract price	23,181	23,181	Less than 1%
Total					**31,342**	**31,342**	

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

(iii) Matters not disclosed in announcements

Not applicable

5.11.2 Related party transactions in relation to acquisition and disposal of assets or equity interests

(i) Matters disclosed in announcements without subsequent progress or changes

Not applicable

(ii) Matters disclosed in announcements with subsequent progress or changes

Not applicable

(iii) Matters not disclosed in announcements

Not applicable

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

Not applicable

5.11.3 Significant related party transactions in relation to joint external investment

(i) Matters disclosed in announcements without subsequent progress or changes

Not applicable

(ii) Matters disclosed in announcements with subsequent progress or changes

Not applicable

(iii) Matters not disclosed in announcements

Not applicable

5.11.4 Amounts due from/to related parties

(i) Matters disclosed in announcements without subsequent progress or changes

Not applicable

(ii) Matters disclosed in announcements with subsequent progress or changes

Not applicable

(iii) Matters not disclosed in announcements

Not applicable

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

China Railway Finance Co., Ltd. (a company controlled by the Company and in which the controlling shareholder of the Company, CREC, holds equity participation) provides financial services to the Company's controlling shareholder, CREC and its subsidiaries, which enables the Company to use part of its circulating funds to improve the efficiency of capital utilization and increase the benefits through the net interest and service fees earned by China Railway Finance Co., Ltd.. The Proposal on the Related Party Transaction of Financial Services Framework Agreement between China Railway Finance Co., Ltd. and China Railway Engineering Group Co., Ltd. was considered and adopted at the 6th meeting of the sixth session of the Board convened by the Company on 30 December 2024, in which it was agreed that China Railway Finance Co., Ltd., a majority-owned subsidiary of the Company, would renew the Financial Services Framework Agreement (the agreement is valid until 31 December 2027) with CREC, the controlling shareholder of the Company, and provide deposits, loans and other financial services to CREC and its subsidiaries pursuant to the agreement. For details, please refer to the relevant announcement of the Company dated 31 December 2024 disclosed on the website of the Shanghai Stock Exchange. During the reporting period, the daily deposit balance (including interest accrued) of CREC and its subsidiaries with China Railway Finance Co., Ltd. did not exceed the maximum amount stipulated in the Financial Services Framework Agreement; the maximum daily comprehensive credit balance (including interest accrued) obtained by CREC and its subsidiaries from China Railway Finance Co., Ltd. did not exceed the maximum amount stipulated in the Financial Services Framework Agreement; and the service fees collected by China Railway Finance Co., Ltd. from CREC and its subsidiaries for other financial services did not exceed the maximum amount stipulated in the Financial Services Framework Agreement.

(i) Deposit business

Unit: Thousand Currency: RMB

Related Party	Related relationship	Maximum daily deposit limit	Range of deposit interest rate	Amount for the current period Opening balance	Total deposits for the current period	Total withdrawals for the current period	Closing balance
CREC	Parent company		0.70%-1.00%	1,396,740	1,547,418	1,800,675	1,143,483
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of the parent company	20,000,000	0.70%-1.00%	87,576	165,945	205,220	48,301
Party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiary of the parent company		0.70%-1.00%	8,063	15,797	13,922	9,938
Total				**1,492,379**	**1,729,160**	**2,019,817**	**1,201,722**

(ii) Loan business

Unit: Thousand Currency: RMB

Related Party	Related relationship	Line of credit	Range of loan interest rate	Amount for the current period Opening balance	Total loans for the current period	Total repayments for the current period	Closing balance
CREC	Parent company	3,500,000	2.11%-2.29%	1,680,954	831,034	680,954	1,831,034

(iii) Credit granting business or other financial business

Unit: Thousand Currency: RMB

Related Party	Related relationship	Business type	Total	Amount incurred
CREC	Parent company	Comprehensive credit granting	3,500,000	1,831,034
CREC	Parent company	Other financial services	80,000	0
Total			**3,580,000**	**1,831,034**

(iv) Others

Unit: Thousand Currency: RMB

Item	Related Party	Amount for the current period	Amount of the corresponding period of last year
Interest income	CREC	17,235	27,305
Interest expenses	CREC	5,966	671
Interest expenses	China Railway State Assets Management Co., Ltd.	287	233
Interest expenses	Party school of China Railway Engineering Group Co., Ltd.	22	357

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

5.11.6 Other significant related party transactions

Related party guarantees

Unit: Thousand Currency: RMB

Guarantor	Secured party	Guarantee amount	Commencement date of guarantee	Expiry date of guarantee	Whether the guarantee has been fulfilled
CREC	China Railway	3,500,000	October 2010	April 2026	Yes

Note: These guarantees are unconditional and irrevocable joint and several liability guarantees provided by CREC for the entire amount of the 15-year 2010 Corporate Bonds (Tranche 2) issued by the Company in October 2010. According to the guarantee period stipulated in the Company's Prospectus for the Public Issuance of Corporate Bonds, the period during which the guarantor assumes the guarantee responsibility is from the first day of bond issuance to six months after the maturity date of the bonds. As of 30 June 2026, the guarantee liability undertaken by CREC as the guarantor has expired.

5.12 Material Contracts and Their Performance

5.12.1 Trusteeship, contracting and leasing

Not applicable

5.12.2 Material guarantees that have been performed and those outstanding during the reporting period

Unit: 0'000 Currency: RMB

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

Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Whether the guarantee is provided to related party	Related relationship
China Railway No.4 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Xuzhou Yingbin Expressway Construction Co., Ltd.	119,000.00	2018/10/22	2018/10/30	2028/10/29	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	0.00	None	No	/
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Qinghai Minmetals China Railway Expressway Construction Management Co., Ltd.	14,850.00	2020/1/14	2020/1/14	2043/12/30	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	0.00	None	No	/
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Jiangxi Chengke Yunchuang Real Estate Co., Ltd.	2,426.48	2021/9/22	2021/9/22	2029/9/21	Joint and several liability guarantee	Normal performance	No	No	No	0.00	None	No	/

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

Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Whether the guarantee has been fulfilled	Guarantee overdue	Overdue amount	Counter guarantee available	Whether the guarantee is provided to related party	Related relationship
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Shantou Niutianyang Expressway Investment Development Co., Ltd.	9,364.13	2019/11/14	2019/11/14	2039/8/23	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	0.00	None	No	/
China Railway International Group Co., Ltd.	Wholly-owned subsidiary	MontagProp Proprietary Limited	6,199.50	2015/7/10	2015/7/10	2030/7/10	Joint and several liability guarantee	Normal performance	No	No	No	0.00	None	No	/
China Railway South Investment Group Co., Ltd.	Wholly-owned subsidiary	Shantou Niutianyang Expressway Investment Development Co., Ltd.	420,449.17	2019/11/14	2019/11/14	2039/8/23	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	0.00	None	No	/

Total amount of guarantees incurred during the reporting period (excluding the guarantees provided for subsidiaries)	13,814.93
Total balance of guarantees as at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)	572,289.28
Guarantees provided by the Company to its subsidiaries	
Total amount of guarantees provided to subsidiaries during the reporting period	-72,075.11
Total balance of guarantees provided to subsidiaries as at the end of the reporting period (B)	6,044,896.87
Total guarantees provided by the Company (including guarantees for its subsidiaries)	
Total amount of guarantees (A+B)	6,617,186.15
Total amount of guarantees as a percentage of net assets of the Company (%)	11.93
Of which:	
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)	0.00
Amount of debt guarantees directly or indirectly provided to the secured parties with the gearing ratio exceeding 70% (D)	5,746,270.14
Excess amount of aggregate guarantees over 50% of net assets (E)	0.00
Total amount of the above three types of guarantees (C+D+E)	5,746,270.14
Statement on the contingent joint and several liability in connection with unexpired guarantee	N/A
Explanations on guarantees	1. The aggregate guarantee includes the commitment to make up the difference of RMB13,735,449,800 provided to its subsidiaries. 2. The above guarantee balance does not include mortgage guarantees of RMB15,180,044,300 provided to property purchasers of real estate business.

5.13 Other Material Contracts

5.13.1 Material contracts signed during the reporting period

(i) Engineering construction

No.	Signatory	Name of contract	Signing date	Contract sum *(RMB'0,000)*	Construction period
Railways					
1	China Railway No. 1 Engineering, China Railway No. 4 Engineering and other parties	Sections ZTXZQ-3 and ZTXZQ-4 of the newly built Wuhan Hub Direct Line and relevant civil engineering and auxiliary works	2026.05	425,939	1,826 calendar days
2	China Railway No. 4 Engineering, China Railway No. 6 Engineering	Lump-sum contracting for Sections NGZQSG-01 and NGZQSG-03 of civil engineering and auxiliary works of the newly built Nanchong-Guangan Railway	2026.04	253,064	48 months
3	China Railway Construction	Lump-sum contracting for Section XLSG-9 of station building and relevant projects of newly built Shenzhen Xili Station	2026.06	195,096	945 calendar days

No.	Signatory	Name of contract	Signing date	Contract sum *(RMB'0,000)*	Construction period
Highways					
1	China Railway, China Railway No. 2 Engineering, China Railway No. 8 Engineering, China Railway No. 10 Engineering, China Railway Tunnel, China Railway Beijing Engineering	Section KDK-TJSG-4 of G3033 Kuidun-Dushanzi-Kuche Expressway Project	2026.04	851,058	2,557 calendar days
2	China Railway No. 1 Engineering, China Railway No. 5 Engineering, China Railway No. 7 Engineering	Lots T3, T5 and T6 of second batch of main construction works of new engineering project of Section Nanfeng (Jiangxi-Fujian Border) to Nanchang of G1535 Chaozhou–Nanchang National Expressway	2026.04	317,388	42 months and 34 months
3	China Railway No. 1 Engineering, China Railway No. 4 Engineering	Civil engineering construction of Lots TJ2 and TJ7 of the reconstruction and expansion project for the Huizhou Xiaojinkou to Guangzhou Luogang Section of the Jiguang Expressway and the Huizhou Xiaojinkou to Lingkeng Section of the Guanghui Expressway (Section K1889+516 to K1987+088.452)	2026.01	229,805	26 months
Municipal works					
1	China Railway No. 3 Engineering	Bridge and connecting road project of Jiaozhou Bay Second Undersea Tunnel	2026.04	106,070	730 calendar days
2	China Railway No. 10 Engineering and other parties	Station Square and other engineering construction works of Lu'an North Station Integrated Transportation Hub Project	2026.02	85,642	900 days

No.	Signatory	Name of contract	Signing date	Contract sum (RMB'0,000)	Construction period
Urban rails					
1	China Railway No. 4 Engineering	Civil engineering of Lot 26 of Shanghai Metro Line 19 Project (Tieshan Road Depot Building Construction, Municipal Works, and Reserved Structures for the Superstructure)	2026.04	197,209	792 calendar days
2	China Railway No. 1 Engineering	Civil engineering construction of section TJSG-3 of Xiasha-Chang'an urban railway project	2026.03	126,032	1,280 calendar days

(ii) Design and consulting

No.	Signatory	Name of contract	Signing date	Contract sum (RMB'0,000)	Contract performance period
1	China Railway Consulting, China Railway Liuyuan Engineering	Survey and design project for the Dacun–Zunyi Railway (Guizhou Section)	2026.04	25,414	Until the completion of performance of contract
2	China Railway Major Bridge Engineering	Survey and design for the Baishazhou Yangtze River Road-Rail Bridge on the New Wuhan Hub Through Line	2026.06	13,211	Until the completion of performance of contract

(iii) Equipment manufacturing

No.	Signatory	Owner	Name of contract	Signing date	Contract sum *(RMB'0,000)*	Construction period *(Month)*
Steel structures						
1	China Railway Shanhaiguan Bridge	Guangdong Humen Bridge Co., Ltd.	(Lot GX) steel structure fabrication of safety and resilience improvement project of Taiping Interchange to Tanwei Interchange of G9411 Dongguan-Foshan Expressway (phase II of reconstruction and expansion project of Humen Bridge)	2026.01	33,718	22 months
2	China Railway Baoji Bridge	Sichuan Road & Bridge (Group) Co., Ltd.	Steel structure fabrication and on-site installation and procurement of the consortium project manager's office of civil engineering contract section of Dianjiang-Fengdu-Wulong Expressway of Sichuan Road & Bridge	2026.03	25,157	As required by Party A
Turnout						
1	China Railway Baoji Bridge	Construction Command Center for the Jinwei High-Speed Railway Agency-built Section Engineering Construction of China Railway Jinan Group Company Limited	Procurement contract for high-speed turnouts for owner-supplied materials for the Binzhou, Dongying South, and Weifang North Hubs and related projects of the newly-built Tianjin–Weifang High-Speed Railway (Lot No.: D03)	2026.01	13,999	12 months
2	China Railway Shanhaiguan Bridge	Yangtze River Coastal Railway Group (Anhui) Co., Ltd	Anhui section of Hefei-Wuhan High-speed Railway	2026.04	8,985	As required by Party A

No.	Signatory	Owner	Name of contract	Signing date	Contract sum *(RMB'0,000)*	Construction period *(Month)*
Engineering machinery (including track equipment and shields, etc.)						
1	China Railway Engineering Services	Guangdong Construction Engineering Group Co., Ltd.	Slurry shield construction contract of section A4 of Beibu Gulf Water Resources	2026.06	10,390	As required by Party A
2	China Railway Engineering Equipment	Yimei Group Yiyang Yiluo Coal Co., Ltd.	Yiluo Coal Mine Project	2026.05	8,267	As required by Party A

(iv) Property development

Land purchases

No.	Project name	Project location	Project type	Planned area *(0'000 square meters)*
1	Lots SY00-2301-03, 04 and 05 of Phase III of Shunyi New Exhibition Center, Beijing	Beijing	Secondary development	5.97

Property held for development

Unit: 0'000 square meters

Name of building or project	Location	Current land use	Land area	Floor area	State of completion	Expected completion date	Interests of the Company and its subsidiaries
Beijing Cloud Canopy	Hualikan Street, Konggang Subdistrict, Shunyi District, Beijing	Urban residential land	4.12	8.24	Under construction	August 2028	100%
Shanghai Shihudang Resettlement Housing	Chenta Road, Shihudang Town, Songjiang District, Shanghai	Urban residential land	19.35	33	Under construction	December 2028	90%
Chengdu CREC Zhuocui	Hejing 4th Street, Wan'an Subdistrict, Chengdu	Urban residential land	7.37	25.15	Under construction	July 2028	100%
Xi'an CREC Yueyun Mansion	Southeast corner of the intersection of South Third Ring Road and Gongtian 2nd Road, Yanta District, Xi'an	Urban residential land	4.05	10.12	Under construction	April 2028	100%
Xiong'an Science and Technology Innovation Center	Zhengxue Street, Anxin County, Xiong'an New Area	Urban residential land, commercial service comprehensive land, industrial land	20.4	41.97	Under construction	December 2026	100%

Property held for investment

Name	Location	Use	Tenure	Interests of the Company and its subsidiaries
Qingdao International Trading Center	No. 8 Hong Kong Middle Road, Shinan District, Qingdao	Commercial finance, urban residential, tourism	July 2046	100%
Building 1, Beijing Nuode Center Phase I	Automobile Museum East Road, Fengtai District, Beijing	Commercial finance	February 2061	100%
Block A, Shanghai Nuode International Plaza	No. 908 Xiuwen Road, Xinzhuang Business District, Minhang District, Shanghai	Commercial office	March 2064	100%
Tianjin Nuode Center Phase II	No. 50 Lvwei Road, Hebei District, Tianjin City	Commercial office	January 2054	100%
Shops on 1-8/F, Zone E1, Guiyang Huaguoyuan	Buildings 1 and 2, Block E1, Pengjiawan Dilapidated Housing and Shantytown Reconstruction Project, Huaguoyuan, Guiyang	Commercial	April 2052	100%

(v) Assets operation business

Material infrastructure investment projects signed during the reporting period

No.	Name of contract	Signatory	Contract sum *(RMB'00 million)*	Shareholding of the project company	Construction period *(years)*	Concession period *(years)*	Signing date
1	Yangcheng-Yuncheng Section Project of Shanxi G5518 Jincheng-Tongguan Expressway	China Railway Communications and other parties (project company)	229.61	China Railway and relevant parties hold 60%, and Shanxi Transportation Holding Group Co., Ltd. holds 40%	5	29.83	2026-02-11
2	Shandong Province Linyi-Donghai (Shandong-Jiangsu Border), Linyi Section of Expressway, Rizhao-Linyi Expressway, and Mengyin-Pizhou Expressway Projects	China Railway Shanghai Investment and other parties (project company)	334	China Railway and relevant parties hold 10%, and other parties hold 90%	3	30	2026-06-08
3	New construction project of relocating National Highway 310 southward to Kaifeng (from the border of Kaifeng and Shangqiu to the Huaque section of S223)	China Railway No.7 Engineering and other parties (project company)	40.21	China Railway No. 7 Engineering holds 50.95% and other parties hold 49.05%	3.6	30	2026-03-20

Material infrastructure investment projects operated during the reporting period

No.	Name of contract	Signatory	Contract sum (RMB'00 million)	Signing date	Operation period (years)	Time of entering the operation period
1	PPP Project for the Western Section of Yibin Urban Bypass Expressway and Yibin-Yiliang Expressway (Sichuan Section)	China Railway and other parties	205.4	2018-11	30	2022-08
2	PPP Project for the Luhongshan (Hunan-Hubei Border) to Cili Section of G59 Hubei-Beihai Expressway and the Sangzhi to Longshan Section of G5515 Zhangjiajie-Nanchong Expressway	China Railway and other parties	256.7	2021-01	30	2025-09
3	PPP Project for Leshan-Xichang Expressway (Leshan to Mabian Section)	China Railway and other parties	164.8	2020-01	30	2025-02

(vi) Emerging businesses

No.	Signatory	Project name	Signing date	Contract sum (RMB'0,000)	Contract performance period
1	China Railway No. 2 Engineering	Chongqing Lizibay Pumped-Storage Power Station Underground Plant and Water Conveyance and Power Generation System Project	2026.01	90,532	2,527 calendar days
2	China Railway No. 10 Engineering and other parties	Main Canal Section I: Design and Construction of Guangxi Gui Northwest Drought Relief Longjiang River Valley Irrigation District Project	2026.04	80,372	1,369 calendar days
3	China Railway Major Bridge Engineering and other parties	EPC General Contracting Work of State Power Investment Yangjiang Sanshandao No. 3 Offshore Wind Farm Project	2026.03	78,695	273 calendar days

5.14 Environmental Information on Listed Companies and Their Major Subsidiaries Included in the List of Enterprises Subject to Statutory Environmental Information Disclosure

Not applicable

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

In the first half of 2026, the Company thoroughly implemented General Secretary Xi Jinping's important directives on "Sannong" work and on comprehensively advancing rural revitalization. It made solid progress in targeted assistance in Rucheng and Guidong counties in Hunan Province and Baode County in Shanxi Province, as well as paired assistance in Karuo District, Changdu City, Xizang, to support the comprehensive revitalization of rural areas in these regions. The Company plans to invest RMB86.5 million throughout the year to precisely empower high-quality development in the four designated assistance regions. Specifically, RMB21.5 million was allocated to each of the three assisted counties to specifically advance key projects such as roads, school buildings, high-altitude vegetable bases, and photovoltaic power stations; RMB20 million was allocated to Karuo District, Changdu City, Xizang, primarily for the construction of a livable, business-friendly and beautiful rural environment in Mangda Village, Mangda Township; RMB2 million was centrally allocated for the training of grassroots cadres in the assisted counties and districts to strengthen the intellectual support for the assistance efforts. As of the end of June, the assistance funds had been fully disbursed. In June, a team led by Zhao Dianlong, the president of the Company, went to Chenzhou City, Rucheng County and Guidong County in Hunan Province to conduct a special survey on targeted assistance. The Company signed a strategic cooperation agreement with Chenzhou City, stipulating that during the "15th Five-Year" period, both parties would focus on key areas such as the development and utilization of mineral resources, forestry and ecological conservation, the cultivation of cultural tourism and wellness industries, and major infrastructure construction, conduct comprehensive, in-depth, and pragmatic cooperation to ensure that targeted assistance are carried out thoroughly and effectively through regular collaboration between the Company and local authorities.

5.16 Compliance with Corporate Governance Code

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

5.17 Review of Interim Financial Report

The 2026 interim financial statements for the six months ended 30 June 2026 of the Company prepared in accordance with CAS and the 2026 interim condensed financial information prepared in accordance with IAS 34 (collectively referred to as "2026 Interim Financial Report") have not been audited. The 2026 Interim Financial Report has been reviewed by the Board of Directors and the Audit and Risk Management Committee under the Board of Directors of the Company.

5.18 Events after the Reporting Period

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

6 FINANCIAL REPORT

Condensed Consolidated Statement of Profit or Loss

For the six-month period ended 30 June 2026

	Notes	Six-month period ended 30 June 2026 RMB million (Unaudited)	2025 RMB million (Unaudited)
Revenue	4	**473,107**	512,502
Cost of sales and services		**(435,447)**	(470,082)
Gross profit		**37,660**	42,420
Other income	5	**1,386**	2,227
Other expenses	5	**(670)**	(482)
Net impairment losses on financial assets and contract assets	6	**(1,838)**	(2,073)
Other gains and losses, net	7	**(359)**	(14)
Losses from derecognition of financial assets at amortised cost	8	**(1,498)**	(1,545)
Selling and marketing expenses		**(2,824)**	(2,851)
Administrative expenses		**(9,941)**	(11,194)
Research and development expenditures		**(6,520)**	(8,110)
Operating profit		**15,396**	18,378
Finance income		**3,177**	3,575
Finance costs		**(6,808)**	(6,497)
Share of post-tax losses of joint ventures		**(302)**	(111)
Share of post-tax profits of associates		**2,085**	1,478
Profit before income tax		**13,548**	16,823
Income tax expense	9	**(3,658)**	(3,681)
Profit for the period		**9,890**	13,142
Profit attributable to:			
– Owners of the Company		**8,655**	11,827
– Non-controlling interests		**1,235**	1,315
		9,890	13,142
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	11	**0.320**	0.412
– Diluted	11	**0.320**	0.412

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six-month period ended 30 June 2026

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Profit for the period	**9,890**	13,142
Other comprehensive (expense)/income, net of income tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of retirement and other supplemental benefit obligations	**(22)**	1
Income tax relating to remeasurement of retirement and other supplemental benefit obligations	**4**	–
Changes in the fair value of equity investments at fair value through other comprehensive (expense)/income ("**FVTOCI**")	**(124)**	50
Income tax relating to changes in the fair value of equity investments at FVTOCI	**16**	(8)
	(126)	43
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	**(238)**	79
Share of other comprehensive expense of associates	**(319)**	(53)
	(557)	26
Other comprehensive (expense)/income for the period, net of tax	**(683)**	69
Total comprehensive income for the period	**9,207**	13,211
Total comprehensive income for the period attributable to:		
– Owners of the Company	**7,988**	11,897
– Non-controlling interests	**1,219**	1,314
	9,207	13,211

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	**At 30 June 2026** *RMB million* **(Unaudited)**	At 31 December 2025 *RMB million* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**153,250**	151,489
Right-of-use assets		**15,980**	16,625
Deposits for acquisition of property, plant and equipment		**304**	1,036
Investment properties		**21,810**	21,953
Intangible assets		**295,892**	279,973
Mining assets		**7,368**	7,442
Contract assets		**265,943**	264,572
Investments in joint ventures		**59,138**	60,626
Investments in associates		**80,673**	74,138
Goodwill		**1,346**	1,346
Financial assets at FVTOCI		**17,261**	18,902
Other financial assets at amortised cost		**20,701**	21,272
Financial assets at fair value through profit or loss (“**FVTPL**”)		**16,225**	17,982
Deferred tax assets		**19,206**	18,592
Other prepayments		**469**	599
Trade and other receivables	*12*	**185,778**	174,219
		1,161,344	1,130,766
Current assets			
Properties held for sale		**59,751**	58,111
Properties under development for sale		**105,476**	104,019
Inventories		**84,355**	73,478
Financial assets at FVTOCI		**1,067**	854
Trade and other receivables	*12*	**445,127**	442,111
Contract assets		**390,761**	366,845
Current income tax recoverable		**5,692**	4,873
Other financial assets at amortised cost		**8,322**	22,949
Financial assets at FVTPL		**8,508**	12,924
Restricted cash and term deposits with maturity over three months		**34,105**	42,180
Cash and cash equivalents		**153,800**	211,322
		1,296,964	1,339,666
Total assets		**2,458,308**	2,470,432

	Notes	At **30 June** **2026** ***RMB million*** **(Unaudited)**	At 31 December 2025 *RMB million* (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		**24,531**	24,686
Treasury shares		**–**	(160)
Share premium and reserves		**298,269**	293,595
Perpetual notes		**55,400**	52,794
		378,200	370,915
Non-controlling interests		**176,153**	169,535
Total equity		**554,353**	540,450
LIABILITIES			
Non-current liabilities			
Trade and other payables	*13*	**87,134**	92,193
Borrowings		**446,598**	426,368
Lease liabilities		**2,396**	3,411
Retirement and other supplemental benefit obligations		**1,432**	1,450
Provisions		**4,335**	3,964
Deferred government grants and income		**1,153**	1,116
Deferred tax liabilities		**7,034**	6,895
		550,082	535,397
Current liabilities			
Trade and other payables	*13*	**1,021,958**	1,091,052
Contract liabilities		**151,013**	150,871
Current income tax liabilities		**6,432**	8,477
Borrowings		**172,015**	141,796
Lease liabilities		**1,611**	1,293
Retirement and other supplemental benefit obligations		**162**	215
Financial liabilities at FVTPL		**679**	878
Provisions		**3**	3
		1,353,873	1,394,585
Total liabilities		**1,903,955**	1,929,982
Total equity and liabilities		**2,458,308**	2,470,432

Notes:

1. GENERAL INFORMATION

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

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

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

The condensed consolidated financial statements were approved for issue on 28 August 2026.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB56,909 million. Considering the Group's sources of liquidity and the unutilised bank facilities as at 30 June 2026, the directors of the Company (the "**Directors**") believe that adequate funding is available to fulfil the Group's debt obligations and capital expenditure requirements to enable the Group to continue in operational existence for the foreseeable future when preparing these condensed consolidated financial statements for the six-month period ended 30 June 2026. Accordingly, these condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

4. SEGMENT INFORMATION

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

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

(a) Construction of railways, highways, bridges, tunnels, metropolitan railways (including subways and light railways), buildings, irrigation works, hydroelectricity projects, ports, docks, airports and other municipal works ("**Infrastructure construction**");

(b) Survey, design, consulting, research and development, feasibility study and compliance certification services with respect to infrastructure construction projects ("**Design and consulting**");

(c) Design, research and development, manufacture and sale of turnouts, bridge steel structures, and other railway related equipment, engineering equipment, component manufacturing and materials ("**Equipment manufacturing**");

(d) Development, sale and management of residential and commercial properties ("**Property development**"); and

(e) Mining, financial business, operation of service concession arrangements, merchandise trading and other ancillary business ("**Other businesses**").

Revenue between segments is carried out at actual transaction prices.

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

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

	Six-month period ended 30 June 2026 (Unaudited)						
	Infrastructure construction *RMB million*	**Design and consulting** *RMB million*	**Equipment manufacturing** *RMB million*	**Property development** *RMB million*	**Other businesses** *RMB million*	**Elimination** *RMB million*	**Total** *RMB million*
External revenue	**403,202**	**7,266**	**13,432**	**11,045**	**33,190**	**–**	**468,135**
Inter-segment revenue	**5,062**	**324**	**1,986**	**–**	**9,264**	**(16,636)**	**–**
Other revenue	**1,881**	**36**	**534**	**254**	**2,267**	**–**	**4,972**
Inter-segment other revenue	**251**	**–**	**–**	**–**	**302**	**(553)**	**–**
Segment revenue	**410,396**	**7,626**	**15,952**	**11,299**	**45,023**	**(17,189)**	**473,107**
Segment results							
Profit/(loss) before tax	**12,796**	**460**	**711**	**(2,856)**	**2,480**	**(204)**	**13,387**
Segment results included:							
Share of post-tax (losses)/ profits of joint ventures	**(363)**	**–**	**46**	**16**	**(1)**	**–**	**(302)**
Share of post-tax profits/(losses) of associates	**413**	**(2)**	**(1)**	**(28)**	**1,703**	**–**	**2,085**
Interest income	**756**	**144**	**23**	**60**	**2,670**	**(476)**	**3,177**
Interest expenses	**(2,627)**	**(47)**	**(63)**	**(1,000)**	**(3,818)**	**1,570**	**(5,985)**

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

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

		Six-month period ended 30 June	
		2026	2025
		RMB million	*RMB million*
		(Unaudited)	(Unaudited)
(i)	Segment interest income, before inter-segment elimination	**3,653**	4,078
	Inter-segment elimination	**(476)**	(503)
	Total consolidated finance income, as reported	**3,177**	3,575
(ii)	Segment interest expenses, before inter-segment elimination	**7,555**	7,404
	Inter-segment elimination	**(1,570)**	(1,218)
		5,985	6,186
	Reconciling item:		
	Imputed interest expenses on retention payables	**823**	311
	Total consolidated finance costs, as reported	**6,808**	6,497
(iii)	Segment results, before inter-segment elimination	**13,591**	18,173
	Inter-segment elimination	**(204)**	(1,705)
		13,387	16,468
Reconciling item:			
Land appreciation tax ("**LAT**") *(a) (Note 9)*		**161**	355
Total consolidated profit before tax, as reported		**13,548**	16,823

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

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

Segment assets

	As at 30 June 2026 *RMB million* **(Unaudited)**	31 December 2025 *RMB million* (Audited)
Infrastructure construction	**1,659,540**	1,642,703
Design and consulting	**34,660**	33,419
Equipment manufacturing	**81,094**	84,292
Property development	**276,582**	280,882
Other businesses	**755,678**	804,670
Inter-segment elimination	**(372,121)**	(397,161)
Unallocated assets	**22,875**	21,627
Total segment assets	**2,458,308**	2,470,432

Segment liabilities

	As at 30 June 2026 *RMB million* **(Unaudited)**	31 December 2025 *RMB million* (Audited)
Infrastructure construction	**1,447,099**	1,410,297
Design and consulting	**16,287**	18,117
Equipment manufacturing	**47,735**	51,457
Property development	**242,540**	242,705
Other businesses	**507,201**	589,456
Inter-segment elimination	**(366,898)**	(393,577)
Unallocated liabilities	**9,991**	11,527
Total segment liabilities	**1,903,955**	1,929,982

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

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

(b) all liabilities are allocated to operating segments other than deferred tax liabilities and current income tax liabilities excluding LAT payable which is allocated to operating segments.

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

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Segment assets, before inter-segment elimination	**2,807,554**	2,845,966
Inter-segment elimination	**(372,121)**	(397,161)
	2,435,433	2,448,805
Reconciling items:		
Deferred tax assets	**19,206**	18,592
Non-tradable shares reform of subsidiaries *(a)*	**(148)**	(148)
Current income tax recoverable	**5,692**	4,873
Prepaid LAT included in current income tax recoverable	**(1,875)**	(1,690)
	22,875	21,627
Total consolidated assets, as reported	**2,458,308**	2,470,432
Segment liabilities, before inter-segment elimination	**2,260,862**	2,312,032
Inter-segment elimination	**(366,898)**	(393,577)
	1,893,964	1,918,455
Reconciling items:		
Deferred tax liabilities	**7,034**	6,895
Current income tax liabilities	**6,432**	8,477
LAT payable included in current income tax liabilities	**(3,475)**	(3,845)
	9,991	11,527
Total consolidated liabilities, as reported	**1,903,955**	1,929,982

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

Disaggregation of revenue from contracts with customers

	Six-month period ended 30 June 2026 (Unaudited)					
Type of services and products	**Infrastructure construction** *RMB million*	**Design and consulting** *RMB million*	**Equipment manufacturing** *RMB million*	**Property development** *RMB million*	**Other businesses** *RMB million*	**Total** *RMB million*
Infrastructure construction contracts	**403,202**	**–**	**–**	**–**	**–**	**403,202**
Manufacturing and sales of equipment	**–**	**–**	**13,432**	**–**	**–**	**13,432**
Rendering of services	**–**	**7,266**	**–**	**–**	**4,790**	**12,056**
Sales of properties	**–**	**–**	**–**	**11,045**	**–**	**11,045**
Sales of goods and others	**1,881**	**36**	**534**	**254**	**30,667**	**33,372**
Total revenue	**405,083**	**7,302**	**13,966**	**11,299**	**35,457**	**473,107**
Timing of revenue recognition:						
– At a point of time	**1,881**	**36**	**10,318**	**10,852**	**34,107**	**57,194**
– Over time	**403,202**	**7,266**	**3,505**	**447**	**–**	**414,420**
Revenue from contracts with customers	**405,083**	**7,302**	**13,823**	**11,299**	**34,107**	**471,614**
Rental income	**–**	**–**	**143**	**–**	**1,350**	**1,493**
Total revenue	**405,083**	**7,302**	**13,966**	**11,299**	**35,457**	**473,107**

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

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

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Mainland China	**436,402**	475,531
Other regions (including Hong Kong and Macau)	**36,705**	36,971
	473,107	512,502

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

	As at	
	30 June	31 December
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Mainland China	**883,028**	860,723
Other regions (including Hong Kong and Macau)	**19,145**	19,076
	902,173	879,799

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

5. OTHER INCOME AND EXPENSES

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Other income from:		
Interest income from other financial assets at amortised cost	**380**	691
Government subsidies *(a)*	**293**	256
Compensation and claims	**155**	129
Interest income from financial assets at FVTPL	**48**	27
Income from the sale of waste and materials	**15**	26
Dividends from financial assets at FVTOCI	**62**	64
Others	**433**	1,034
	1,386	2,227
Other expenses on:		
Penalty cost	**218**	102
Lawsuit expenditure	**100**	19
Others	**352**	361
	670	482

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

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

6. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Trade and other receivables (excluding advance to suppliers)	**755**	1,661
Contract assets	**652**	308
Other financial assets at amortised cost	**431**	104
	1,838	2,073

7. OTHER GAINS AND LOSSES, NET

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Gains/(losses) on disposal and/or write-off of:		
– Right-of-use assets	**34**	15
– Property, plant and equipment	**142**	(24)
Gains/(losses) arising on change in fair value of financial assets/ liabilities at FVTPL	**80**	(100)
Foreign exchange (losses)/gains, net	**(750)**	73
Others	**135**	22
	(359)	(14)

8. LOSSES FROM DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Asset-backed notes ("**ABN**") and asset-backed securities ("**ABS**")	**1,236**	1,349
Factoring expenses	**262**	175
Bills receivables discounted expenses	**–**	21
	1,498	1,545

9. INCOME TAX EXPENSE

	Six-month period ended 30 June	
	2026	2025
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Current income tax		
– Enterprise income tax ("**EIT**")	**3,838**	3,692
– LAT	**161**	355
– Under provision in prior years	**111**	48
Deferred income tax	**(452)**	(414)
	3,658	3,681

The majority of the entities in the Group are located in Mainland China. Pursuant to the relevant laws and regulations, the statutory EIT rate of 25% (six-month period ended 30 June 2025: 25%) is applied to the Group except for certain subsidiaries which were either exempted from EIT or entitled to the preferential tax rate of 20% or 15% (six-month period ended 30 June 2025: 20% or 15%) during the current interim period.

Tax arising from the taxable income in other jurisdictions is calculated at the respective applicable tax rates according to existing laws, interpretations and practices of the country or jurisdictions in which the entity of the Group operates.

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

10. DIVIDENDS

During the current interim period, a final dividend of RMB0.086 per share in respect of the year ended 31 December 2025 was declared to owners of the Company. The aggregate amount of the final dividend declared in the interim period amounted to RMB2,110 million, and subsequently paid off in August 2026.

Subsequent to the end of the current interim period, the Directors have determined an interim dividend in respect of the year ending 31 December 2026 of RMB0.06374 per share amounting to RMB1,564 million in aggregate.

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six-month period ended 30 June 2026 is calculated by dividing the profit attributable to owners of the Company, after deducting the profit attributable to holders of perpetual notes, of RMB7,888 million (six-month period ended 30 June 2025: RMB10,163 million) by weighted average number of 24,646,779,406 shares (six-month period ended 30 June 2025: 24,661,668,052 shares) in issue during the period.

(b) Diluted

Diluted earnings per share was calculated by dividing the adjusted profit attributable to ordinary equity holders of the Company based on the diluted potential ordinary shares by the weighted average number of shares in issue during the period. For the period ended 30 June 2026, the Company has no potential dilutive shares, and the diluted earnings per share equals basic earnings per share.

12. TRADE AND OTHER RECEIVABLES

	As at **30 June 2026** *RMB million* **(Unaudited)**	As at 31 December 2025 *RMB million* (Audited)
Trade and bills receivables	**498,077**	485,946
Less: credit loss allowance	**(21,443)**	(21,409)
Trade and bills receivables – net	**476,634**	464,537
Other receivables (net of impairment)	**115,169**	111,399
Advance to suppliers (net of impairment losses)	**39,102**	40,394
Total trade and other receivables	**630,905**	616,330
Less: amount due after one year included in non-current assets	**(185,778)**	(174,219)
Amount due within one year included in current assets	**445,127**	442,111
Including: Trade receivables	**304,932**	308,068
Less: credit loss allowance	**(18,656)**	(19,190)
Trade receivables – net	**286,276**	288,878

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

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Less than 1 year	**409,102**	403,509
1 year to 2 years	**35,918**	38,578
2 years to 3 years	**15,291**	12,765
3 years to 4 years	**10,829**	11,301
4 years to 5 years	**9,392**	4,486
More than 5 years	**17,545**	15,307
Total	**498,077**	485,946

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

(b) Trade and bills receivables of RMB683 million (31 December 2025: RMB532 million) were pledged to secure borrowings amounting to RMB243 million (31 December 2025: RMB165 million).

(c) For the six-month period ended 30 June 2026, trade receivables of RMB33,003 million (six-month period ended 30 June 2025: RMB29,233 million) and long-term trade receivables of RMB1,386 million (six-month period ended 30 June 2025: RMB1,502 million) had been transferred to ABN and ABS in accordance with relevant issuance documents, and trade receivables of RMB7,163 million (six-month period ended 30 June 2025: RMB10,226 million) and long-term trade receivables of RMB1,387million (six months ended 30 June 2025: Nil) had been transferred to financial institutions in accordance with relevant non-recourse factoring agreements. Relevant trade receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.

(d) As at 30 June 2026, bills receivables – bank acceptance and commercial acceptance notes of RMB860 million (31 December 2025: RMB741 million) were endorsed to suppliers and RMB78 million (31 December 2025: RMB20 million) were discounted with banks. In the opinion of the Directors, as the counter party bears higher credit risk, such transactions did not qualify for derecognition. In addition, as at 30 June 2026, bills receivables – bank acceptance notes of RMB44 million (31 December 2025: RMB32 million) were endorsed to suppliers, and RMB4 million (31 December 2025: RMB32 million) were discounted with banks. Relevant bills receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.

(e) As at 30 June 2026, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows:

Central-governmental enterprises

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Less than 1 year	**19,983**	18,652
1 year to 2 years	**2,226**	2,077
2 years to 3 years	**780**	654
3 years to 4 years	**220**	188
4 years to 5 years	**88**	53
More than 5 years	**124**	108
Total	**23,421**	21,732

Locally-administrated state-owned enterprises

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Less than 1 year	**141,479**	144,136
1 year to 2 years	**24,218**	24,614
2 years to 3 years	**8,450**	5,445
3 years to 4 years	**1,796**	2,962
4 years to 5 years	**2,000**	1,820
More than 5 years	**1,724**	1,725
Total	**179,667**	180,702

China State Railway Group Co., Ltd.

	As at 30 June 2026 RMB million (Unaudited)	31 December 2025 RMB million (Audited)
Less than 1 year	**20,669**	23,232
1 year to 2 years	**1,878**	1,893
2 years to 3 years	**588**	531
3 years to 4 years	**240**	211
4 years to 5 years	**152**	92
More than 5 years	**370**	338
Total	**23,897**	26,297

Overseas enterprises

	As at 30 June 2026 RMB million (Unaudited)	31 December 2025 RMB million (Audited)
Less than 1 year	**5,313**	6,383
1 year to 2 years	**274**	647
2 years to 3 years	**473**	112
3 years to 4 years	**30**	1
4 years to 5 years	**1**	2
More than 5 years	**107**	106
Total	**6,198**	7,251

Other entities

	As at 30 June 2026 RMB million (Unaudited)	31 December 2025 RMB million (Audited)
Less than 1 year	**38,158**	36,022
1 year to 2 years	**5,394**	6,867
2 years to 3 years	**1,977**	1,869
3 years to 4 years	**501**	687
4 years to 5 years	**327**	406
More than 5 years	**770**	825
Total	**47,127**	46,676

As at 30 June 2026, the amount of individually impaired trade receivables was RMB15,489 million (31 December 2025: RMB16,112 million) with the provision for credit loss allowance of RMB9,524 million (31 December 2025: RMB9,892 million).

As at 30 June 2026, bills receivables – bank acceptance notes of RMB672 million (31 December 2025: RMB643 million) were not impaired. Commercial acceptance notes, which were collectively assessed for impairment, were RMB792 million (31 December 2025: RMB917 million) with the provision for credit loss allowance of RMB2 million (31 December 2025: RMB3 million).

As at 30 June 2026, the amount of collectively impaired long-term trade receivables was RMB187,350 million (31 December 2025: RMB172,314 million) with the provision for credit loss allowance of RMB2,022 million (31 December 2025: RMB1,359 million). The amount of individually impaired long-term trade receivables was RMB4,331 million (31 December 2025: RMB4,885 million) with the provision for credit loss allowance of RMB762 million (31 December 2025: RMB868 million).

13. TRADE AND OTHER PAYABLES

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Trade and bills payables *(a)*	**869,841**	940,556
Dividend payables	**4,605**	2,178
Other taxes	**5,189**	6,949
Accrued payroll and welfare	**6,488**	7,493
Deposits *(b)*	**5,463**	8,335
Deposits received in advance	**5,189**	5,049
Advance from customers for rental	**1,704**	1,769
Payables for advances	**22,072**	20,324
Payables to ABS holders	**34,226**	37,899
Other payables	**154,315**	152,693
	1,109,092	1,183,245
Analysed for reporting purposes as:		
Non-current	**87,134**	92,193
Current	**1,021,958**	1,091,052
	1,109,092	1,183,245

The credit period on purchases of goods ranges from 180 days to 360 days. As at 30 June 2026, included in trade and bills payables are retention payables of RMB34,838 million (31 December 2025: RMB37,630 million). Retention payables are interest-free and payable at the end of the retention period of the respective infrastructure construction and products manufacturing and installation contracts.

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

To ensure that suppliers can obtain financing support and facilitate the settlement in advance, the Group has entered into supplier financing arrangements. Since some arrangements do not allow the Group to obtain bank financing by extending the original repayment term, the Group believes that the debts owed to the bank should be classified as trade payables. At the end of the period, the balance of trade payables under this arrangement was RMB179,645 million, accounting for 23.63% of the total balance of trade payables (31 December 2025: RMB165,308 million, accounting for 20.33%). Among them, RMB123,966 million (31 December 2025: RMB120,598 million) has been received by suppliers from the financing provider. The payment due dates for trade payables under the supplier financing arrangement are generally consistent with those for comparable trade payables not under the supplier financing arrangement, with both ranges being 6 to 12 months.

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

	As at	
	30 June 2026	31 December 2025
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Less than 1 year	**724,921**	802,695
1 year to 2 years	**85,137**	84,538
2 years to 3 years	**32,821**	27,312
More than 3 years	**26,962**	26,011
	869,841	940,556

(b) China Railway Finance Co., Ltd. ("**CREC Finance**"), a subsidiary of the Company, accepted deposits from related parties and third parties. These deposits were due within one year with average annual interest rate of 0.875% (31 December 2025: 1.124%).

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crec.cn). The 2026 Interim Report prepared in accordance with IAS 34 will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crec.cn). The 2026 Interim Report and its Summary prepared in accordance with CAS will be published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Company (www.crec.cn).

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

Beijing, the PRC
28 August 2026

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