Canggang Railway Limited
滄港鐵路有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2169)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The Board of Canggang Railway Limited is pleased to announce the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**163,021**	131,704
Operating profit	**62,542**	53,602
Profit before taxation	**48,894**	39,702
Profit for the period	**35,902**	30,751
Earnings per share, basic and diluted (RMB cents)	**0.94**	0.80

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(For the six months ended 30 June 2026)

	Note	**2026**	2025
	Note	***RMB'000***	*RMB'000*
Revenue	5	**163,021**	131,704
Operating expenses:			
Staff costs	7(b)	**(28,456)**	(25,994)
Outsourcing service charges and other labor costs		**(8,796)**	(9,200)
Cargo logistics		**(10,624)**	(11,962)
Depreciation	7(c)	**(15,966)**	(17,918)
Fuel used		**(10,989)**	(11,621)
Repairs and maintenance		**(17,706)**	(5,941)
General and administration expenses		**(3,620)**	(4,802)
Reversal of impairment loss on trade receivables		**(285)**	86
Other expenses		**(5,055)**	(1,821)
Total operating expenses		**(101,497)**	(89,173)
Other income, net	6	**1,018**	11,071
Operating profit		**62,542**	53,602
Finance costs	7(a)	**(13,648)**	(13,900)
Profit before taxation	7	**48,894**	39,702
Income tax	8	**(12,992)**	(8,951)
Profit for the period		**35,902**	30,751
Attributable to:			
Equity owner of the Company		**36,053**	30,878
Non-controlling interests		**(151)**	(127)
Profit for the period		**35,902**	30,751
Earnings per share *(RMB cents)*			
– Basic and diluted	10	**0.94**	0.80

	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**35,902**	30,751
Other comprehensive income for the period (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency of the Group	**(256)**	686
Total comprehensive income for the period	**35,646**	31,437
Attributable to:		
Equity owners of the Company	**35,797**	31,564
Non-controlling interests	**(151)**	(127)
Total comprehensive income for the period	**35,646**	31,437

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2026)

	Note	**As at 30 June 2026** *RMB'000*	As at 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment	11	**896,864**	879,347
Right-of-use assets		**210,650**	210,983
Interest in an associate		**6,016**	16
Financial assets at fair value through profit or loss ("**FVTPL**")	14	**72,186**	72,108
Deferred tax assets		**620**	836
Prepayments and other receivables		**6,050**	7,648
Total non-current assets		**1,192,386**	1,170,938
Current assets			
Inventories	12	**75,042**	73,497
Trade and bills receivables	13	**72,547**	76,178
Prepayments and other receivables		**21,187**	39,990
Cash and cash equivalents		**131,048**	108,048
Total current assets		**299,824**	297,713
Current liabilities			
Bank and other loans	16	**46,069**	217,138
Trade payables	15	**39,214**	23,666
Other payables		**6,140**	9,162
Contract liabilities		**8,489**	23,611
Deferred income		**1,105**	1,105
Current taxation		**6,775**	4,835
Total current liabilities		**107,792**	279,517
Net current assets		**192,032**	18,196
Total assets less current liabilities		**1,384,418**	1,189,134
Non-current liabilities			
Bank and other loans	16	**462,056**	315,840
Deferred income		**45,476**	32,054
Total non-current liabilities		**507,532**	347,894
NET ASSETS		**876,886**	841,240
CAPITAL AND RESERVES	21		
Share capital		**8,607**	8,607
Reserves		**841,036**	805,239
Total equity attributable to equity owners of the Company		**849,643**	813,846
Non-controlling interests		**27,243**	27,394
TOTAL EQUITY		**876,886**	841,240

NOTES

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the "IASB"). It has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are set out in Note 4 below.

These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The unaudited condensed consolidated interim financial information for the Reporting Period has not been reviewed by HLB Hodgson Impey Cheng Limited, the Company's external auditor, but has been reviewed by the Audit Committee.

The financial information relating to the financial year ended 31 December 2025 that is included in the unaudited condensed consolidated interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these unaudited condensed consolidated interim financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes an investment team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The investment team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the IFRS Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair vale measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Expected credit losses for trade receivables

The credit loss allowance for trade receivables are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the profit or loss.

4 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amendments to the first time for the current period's interim financial information.

- Amendments to IFRS 9 and IFRS 7 — *Amendments to the Classification and Measurement of Financial Instrument*
- 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 amendments to IFRS Accounting Standards in the current 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 unaudited condensed consolidated interim financial statements.

5 REVENUE

(a) Revenue

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

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Disaggregated by major service lines:		
– Rail freight transportation	**125,553**	112,135
– Ancillary services		
– Loading and unloading	**10,568**	9,497
– Road freight transportation	**187**	709
– Construction, maintenance and repair	**22,636**	4,209
– Others	**4,077**	5,154
Subtotal	**37,468**	19,569
	163,021	131,704

(ii) For the six months ended 30 June 2026 and 2025, the Group's customers with whom transactions exceeded 10% of the Group's revenue in the respective periods are set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Customer A	**18,356**	18,921
Customer B	**22,706**	20,994
Customer C	**18,455**	24,259

Note: Customer B includes a group of our customers that are under the common control of the same ultimate shareholder.

(iii) The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its revenue such that the above information does not include information about revenue that the Group will be entitle to when it satisfies the remaining performance obligations of the revenue that had an original expected duration of one year or less.

(b) Segment reporting

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

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

No other discrete financial information is provided other than the Group's result and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Geographic information

The Group's revenue is substantially generated from provision of rail freight transportation and ancillary services in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

(c) Seasonality of operations

The Group's core rail freight transportation segment does not possess of material seasonality effect because our customers usually maintain a stable inventory level for their business. The Group anticipates the transportation demand remain relatively stable throughout the year.

6 OTHER INCOME, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Government grants	**789**	259
Interest income	**189**	524
Net loss on disposal of property, plant and equipment	**(910)**	–
Gain on financial assets at FVTPL	**78**	8,549
Net trading profit*	**839**	1,279
Others	**33**	460
	1,018	11,071

* Included in net trading profit is the coal and gravel trading income of RMB45,664,000 (six months ended 30 June 2025: RMB21,244,000) deducted cost of inventories (including write-down of inventories) recognised as expenses of RMB44,825,000 (six months ended 30 June 2025: RMB19,965,000).

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Total interest expense on bank and other loans	**13,648**	13,900

(b) Staff costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**25,000**	22,645
Contributions to defined contribution retirement plans	**3,456**	3,349
	28,456	25,994

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in a defined contribution retirement benefit plan managed by the local government authorities. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the defined salaries level in the PRC (other than Hong Kong), from the above mentioned retirement plans at their normal retirement age.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items:**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation		
– property, plant and equipment *(Note 11)*	**13,351**	15,685
– right-of-use assets	**2,615**	2,233
	15,966	17,918
Short-term lease charges with remaining lease term of not more than 12 months	**28**	50
Auditors' remuneration	**450**	435
Cost of inventories	**11,192**	11,623

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**13,208**	8,946
Deferred tax		
Origination and reversal of temporary differences	**(216)**	5
	12,992	8,951

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Company and the Group's BVI subsidiaries are not subject to income tax in those jurisdictions.

(ii) The Company's subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 30 June 2026 (six months ended 30 June 2025: 16.5%). These companies did not have assessable profits which are subject to Hong Kong Profits Tax for the Reporting Period (six months ended 30 June 2025: RMB Nil).

(iii) The Group's PRC subsidiaries (excluding Hong Kong) are subject to PRC Corporate Income Tax at a rate of 25% during the Reporting Period (six months ended 30 June 2025: 25%).

(iv) According to the PRC Corporate Income Tax Law and its implementation regulations, dividends receivable by non-Mainland China corporate residents from Mainland China enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008.

Dividends withholding tax represents tax charged by tax authority on dividends distributed by the Group's subsidiaries in the Mainland China during the reporting period.

9 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

10 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the six months ended 30 June 2026 is calculated based on the profit attributable to ordinary equity shareholders of the Company of RMB36,053,000 (six months ended 30 June 2025: RMB30,878,000) and the weighted average number of ordinary share, in issue of 3,847,792,000 shares (six months ended 30 June 2025: 3,847,792,000 shares) during the period.

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2026 and 2025.

11 PROPERTY, PLANT AND EQUIPMENT

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Carrying amount		
Balance as at 1 January	**879,347**	776,932
Additions to property, plant and equipment	**38,907**	137,656
Disposal of property, plant and equipment	**(8,039)**	(5,841)
Depreciation provided during the period/year	**(13,351)**	(29,400)
Balance as at 30 June/31 December	**896,864**	879,347

12 INVENTORIES

(a) Inventories in the unaudited condensed consolidated statement of financial position comprise:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Fuel	**2,664**	2,707
Coal held for trading	**18,029**	12,363
Gravel held for trading	**42,553**	51,729
Materials and consumables	**11,796**	6,698
	75,042	73,497

(b) The analysis of the amounts of inventories recognised as an expense and included in profit or loss is as follows:

	For the six months ended 30 June	
	2026 *RMB'000*	2025 *RMB'000*
Carrying amount of inventories used	**11,192**	11,623

13 TRADE AND BILLS RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade receivables	**66,734**	72,260
Bills receivables	**5,813**	3,918
	72,547	76,178

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

Aging Analysis

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 month	**42,949**	33,775
1 to 6 months	**17,856**	18,154
6 to 12 months	**2,726**	9,677
Over 12 months	**3,203**	10,654
	66,734	72,260

Trade receivables are mainly due within 30 days from the date of billing. Bills receivables are with maturity of 180 to 360 days.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 9% (31 December 2025: 30%) of the total trade receivables was due from the Group's largest customer and 29% (31 December 2025: 77%) of the total trade receivables was due from the five largest customers.

14 FINANCIAL ASSETS AT FVTPL

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Unlisted equity securities *(Note)*	**72,186**	72,108

Note:

The above unlisted equity investments represent the Group's interest in an investment fund established in Hong Kong and a private entity established in the PRC.

15 TRADE PAYABLES

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

As of the end of the Reporting Period, the aging analysis of the Group's trade payables, based on the invoice date, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 month	**19,088**	6,853
1 to 3 months	**4,278**	7,315
3 to 6 months	**4,703**	994
6 to 12 months	**5,477**	4,643
Over 12 months	**5,668**	3,861
	39,214	23,666

16 BANK AND OTHER LOANS

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Bank loans:		
– Secured	**405,434**	388,015
– Unsecured	**45,053**	46,057
	450,487	434,072
Other loans:		
– Secured	**56,138**	97,354
– Unsecured	**1,500**	1,552
	57,638	98,906
	508,125	532,978

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

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year or on demand	**46,069**	217,138
After 1 year but within 2 years	**107,445**	188,314
After 2 years but within 5 years	**229,611**	127,526
After 5 years	**95,000**	–
	462,056	315,840
	508,125	532,978

(c) At 30 June 2026, the Group's secured bank loans of RMB405,434,000 (31 December 2025: RMB388,015,000) were secured by the following assets of the Group:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Carrying amount:		
Property, plant and equipment	**6,495**	6,655
Right-of-use assets	**101,424**	102,849
	107,919	109,504

Included in the Group's secured bank loans as at 30 June 2026, RMB148,136,000 (31 December 2025: RMB46,046,000) were also guaranteed by Cangzhou Railway Logistics Services Company Limited ("Cangzhou Logistics"), a wholly-owned subsidiary of the Company.

* The official name of this entity is in Chinese. The English translation is for identification purpose only.

(d) At 30 June 2026, the Group's secured other loans of RMB56,138,000 (31 December 2025: RMB97,354,000) were secured by the following assets of the Group:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Carrying amount:		
Property, plant and equipment	**198,196**	214,157

Included in the Group's secured other loans as at 30 June 2026, RMB62,206,000 (31 December 2025: RMB88,636,000) were also guaranteed by Cangzhou Logistics and RMB8,873,000 (31 December 2025: RMB8,718,000) were secured by equity interests of Cangzhou Canggang Railway Company Limited held by Cangzhou Logistics.

(e) As at 30 June 2026, the Group's unsecured other loans amounting to RMB1,500,000 (31 December 2025: RMB1,552,000) are interest-bearing at 4.75% (31 December 2025: 4.75%) per annum.

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

	At 30 June 2026		At 31 December 2025	
	Effective interest rate	***RMB'000***	Effective interest rate	*RMB'000*
Fixed rate borrowings				
Bank loans	**4.00%-5.50%**	**347,404**	3.65%-5.50%	434,072
Other loans	**4.00%-6.56%**	**57,638**	4.00%-6.56%	98,906
		405,042		532,978
Variable rate borrowings				
Bank loans	**2.90%**	**103,083**	N/A	–
Total borrowings		**508,125**		532,978
Fixed rate borrowings as a percentage of total borrowings		**80%**		100%

17 COMMITMENTS

Capital commitments outstanding at the end of each Reporting Period not provided for in the unaudited condensed consolidated interim financial information were as follows:

	At 30 June 2026 ***RMB'000***	At 31 December 2025 *RMB'000*
Commitments in respect of property, plant and equipment:		
– contracted for	**65,737**	92,701

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is an established and expanding local railway operator based in Hebei Province. With our Canggang Railway Line, we continue to provide our customers with comprehensive freight transportation services and one-stop logistics solutions. The first half of 2026 has presented a more favourable operating environment compared to the prior year. According to the National Railway Administration, the national railway freight market showed steady recovery during the period, with total cargo volume reaching 2,015 million tonnes in the first half of 2026, a year-on-year increase of 1.8%. Notably, the national railway transported 1,051 million tonnes of coal during the same period, of which 701 million tonnes were thermal coal for power generation, with direct-supply power plants maintaining high inventory levels. This recovery was supported by strong summer peak electricity demand and stable energy supply chain policies from the central government.

At the regional level, Hebei Province has continued to implement policies to promote logistics cost reduction and efficiency improvement. In March 2026, the Hebei Provincial Department of Transport issued 15 measures to optimise the business environment, focusing on promoting fair competition in the industry, regulating orderly development, and creating a supportive factor environment. The measures specifically support the development of rail-water intermodal transport and road-rail intermodal transport to facilitate logistics cost reduction and quality enhancement. The province has also been advancing major infrastructure projects, including the Shijiazhuang-Hengshui-Cangzhou-Huanghua intercity railway, which is expected to commence operation by the end of the year and is expected to further enhance regional rail connectivity and logistics capacity in the future.

Since 2025, our marketing team has been proactively executing management's dual strategy of "overseas expansion" and "extensive investigation and research," making repeated visits to key upstream markets including Shanxi, Shaanxi, Inner Mongolia, Ningxia, Xinjiang and Gansu. Through these sustained engagements, we have actively promoted the competitive advantages of the "Canggang Railway Line – Port Huanghua" corridor, gathered valuable market intelligence, strengthened customer relationships, and identified new business opportunities. These efforts have yielded tangible results, contributing to the Group's improved performance in the first half of 2026. Against this backdrop, the Group achieved a total cargo volume of 8.3 million tonnes for the six months ended 30 June 2026, representing an increase of 23.9% or 1.6 million tonnes compared to 6.7 million tonnes for the six months ended 30 June 2025. The improvement was driven by increased coal transportation volumes benefiting from the national and regional policy support, continued growth in coke and ore fines transportation, and enhanced operational efficiency through refined scheduling processes and reduced turnaround times.

FUTURE DEVELOPMENT

As at 30 June 2026, we operated one local railway, the Canggang Railway Line. One of our business strategies is to construct an additional branch line to expand our business scale, including the expansion of our geographic presence and business to the Comprehensive Industrial Park in Bohai New Area. We have obtained the approval from the Development and Reform Commission of Hebei Province in relation to the construction of the new branch line in January 2024 and have commenced its construction at the end of 2024, and the roadbed works were basically completed in 2025.

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

FINANCIAL REVIEW

Revenue

	Six months ended 30 June			
	2026		2025	
	RMB in thousands, other than percentages			
Rail freight transportation	**125,553**	**77.0%**	112,135	85.1%
Ancillary services				
Loading and unloading	**10,568**	**6.5%**	9,497	7.2%
Road freight transportation	**187**	**0.1%**	709	0.6%
Construction, maintenance and repair	**22,636**	**13.9%**	4,209	3.2%
Others	**4,077**	**2.5%**	5,154	3.9%
Subtotal	**37,468**	**23.0%**	19,569	14.9%
Total	**163,021**	**100.0%**	131,704	100.0%

Our revenue increased by 23.8% or RMB31.3 million from RMB131.7 million for the six months ended 30 June 2025 to RMB163.0 million for the Reporting Period. The increase was primarily due to the increase in revenue from rail freight transportation of RMB13.4 million and construction, maintenance and repair services of RMB18.4 million.

Our revenue from rail freight transportation increased by 12.0% or RMB13.4 million from RMB112.1 million for the six months ended 30 June 2025 to RMB125.6 million for the Reporting Period, mainly due to the varying degrees of growth in the transportation of coal, coke and ore fines resulting from our continue efforts since 2025.

Our revenue from ancillary services increased by 91.5% or RMB17.9 million from RMB19.6 million for the six months ended 30 June 2025 to RMB37.5 million for the Reporting Period. This increase in revenue from ancillary services was primarily attributable to the construction of a special railway line undertaken by the Company during the Reporting Period.

Operating expenses

Our operating expenses include staff costs, outsourcing service charges and other labor costs, cargo logistics, depreciation, fuel used, repair and maintenance, general and administration expenses, impairment loss on trade receivables and other expenses. The operating expenses increased by 13.8% or RMB12.3 million from RMB89.2 million for the six months ended 30 June 2025 to RMB101.5 million for the six months ended 30 June 2026. The increase was primarily driven by the raise in our staff cost and material cost for construction by 44.5% or RMB14.2 million. In specific, construction costs increased by RMB11.8 million, mainly because the Company undertook the construction of a special railway line, while labour costs increased by RMB2.5 million mainly as a result of higher transportation volume.

Against the backdrop of a moderated economic recovery in the PRC, where policymakers continue to balance structural reforms with targeted stimulus measures, we have proactively strengthened our liquidity management framework. The Company has implemented rigorous controls over receivables, including enhanced senior management oversight of aging balances, to navigate the current environment of selective credit tightening and cautious corporate spending. These disciplined measures have maintained stability in our trade and bills receivables, which stood at RMB76.1 million as at 31 December 2025 and RMB72.5 million as at 30 June 2026, demonstrating both the effectiveness of our risk mitigation strategies and our judicious approach to credit provisioning in this phase of economic rebalancing.

Other income, net

Our other income decreased by 90.8% or RMB10.1 million from RMB11.1 million for the six months ended 30 June 2025 to RMB1.0 million for the six months ended 30 June 2026, primarily due to the Company earned a one-off fair value gain on the financial assets measures at fair value through profit or loss ("FVTPL") during the six months ended 30 June 2025.

Segment information

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

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

Finance costs

Our finance costs remain relatively stable at RMB13.6 million for the six months ended 30 June 2026 and RMB13.9 million for the six months ended 30 June 2025, because the Company is maintaining a steady average loan balance.

Income tax expense

Our income tax expense increased by 45.1% or RMB4.0 million from RMB9.0 million for the six months ended 30 June 2025 to RMB13.0 million for the six months ended 30 June 2026 mainly due to the increase in profit contributed from the rail freight transportation. Our effective tax rate increased by 4.1% from 22.5% for the six months ended 30 June 2025 to 26.6% for the Reporting Period, which was mainly because the fair value gains generated in 2025 on the financial assets measures at FVTPL, which are not taxable.

Profit for the period and net profit margin

For the six months ended 30 June 2026, the Group recorded a profit of RMB35.9 million, representing a 16.8% or RMB5.2 million increase from RMB30.8 million for the six months ended 30 June 2025. This improvement was primarily attributable to increased coal transportation volumes in our rail freight business and revenue generated from our construction projects.

Our net profit margin remain relatively stable at 22.0% to 23.3% for the six months ended 30 June 2025 and the Reporting Period, reflecting the successful stabilize of our core rail freight transportation business in the current period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group had net current assets of approximately RMB193.1 million (31 December 2025: RMB18.2 million). The Group continued to maintain a strong financial position. During the Reporting Period, our cash and cash equivalent increased by 21.3% or RMB23.0 million to RMB131.0 million as at 30 June 2026 from RMB108.0 million as at 31 December 2025, which was mainly due to the net cash generated from our operating activities. With our strong banking facilities supported by different banks available to the Group, we have adequate financial resources to meet our working capital needs as well as to fund our budgeted construction and upgrade plans in 2026 and 2027.

As at 30 June 2026, our interest-bearing borrowings were RMB508.1 million (31 December 2025: RMB533.0 million), of which RMB462.1 million (31 December 2025: RMB315.8 million) was long-term borrowing. We had unutilized and unrestricted banking facilities of RMB57.5 million (31 December 2025: RMB40.0 million), none of which were guaranteed or secured by our related parties.

The gearing ratio, which is calculated by total debt (being bank and other loans) divided by total equity then multiplied by 100%, was approximately 57.9% as at 30 June 2026 (31 December 2025: approximately 63.4%). The decrease was mainly attributed to the decrease in the ending balance of our bank and other loans. The Group continue to maintain a strong and comfortable liquidity position that remains well within our risk management parameters.

Importantly, our financial structure continues to be robust, with sufficient coverage ratios and maintaining ample financial flexibility. The current gearing level reflects our strategic decision to utilize debt financing while preserving a healthy balance sheet position to support future growth initiatives.

Pledge of assets

As at 30 June 2026, certain of our property, plant and equipment with carrying amount of approximately RMB6.5 million (31 December 2025: RMB6.7 million), were secured for our bank loans. Also, our property, plant and equipment with carrying amount of approximately RMB198.2 million (31 December 2025: RMB214.2 million) were pledged for our other loans.

As at 30 June 2026, a certain portion of our right-of-use assets with carrying amount of approximately RMB101.4 million (31 December 2025: RMB102.8 million) were pledged for our bank loans, and no right-of-use assets (31 December 2025: Nil) were pledged for our other loans.

Contingent liabilities

As at 30 June 2026, the Group did not have any contingent liabilities.

Foreign exchange risk

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

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

During the Reporting Period, we have invested RMB38.9 million for our capital expenditure which was mainly related to the upgrading and renovating of the basic infrastructure of our Canggang Railway Line. We financed our capital expenditure through the proceeds from the initial public offering, cash generated from operations and banking facilities.

Capital Commitments

As at 30 June 2026, our outstanding capital commitments in respect of property, plant and equipment amounted to approximately RMB65.7 million (31 December 2025: RMB92.7 million). Save as disclosed in this interim result announcement, we did not have any other material capital commitment.

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

Save as disclosed in this interim result announcement, there were no significant investments held by the Group during the Reporting Period, nor was there any material acquisition or disposal of subsidiaries, associates and joint venture during the Reporting Period. Save as disclosed in this interim result announcement, there was no other plan for significant investments or additions of capital assets as at 30 June 2026.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined in the Listing Rules) during the Reporting Period. As at 30 June 2026, the Company did not hold any treasury shares as defined in the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material subsequent event after the Reporting Period and up to the date of this interim result announcement.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 621 employees (31 December 2025: 627 employees) (including two executive Directors but excluding three independent non-executive Directors).

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

CORPORATE GOVERNANCE

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

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

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

(a) Objective – Serving local economy, building a century-old railway

(b) Vision – Creating value for customers, fostering well-being for employees, generating benefits for the Company, creating wealth for society

(c) Philosophy – Operating in compliance with laws, upholding integrity, prioritising safety, putting service first

(d) Spirit – Pursuing truth, pragmatism, and excellence, working together for development

(e) Core value – Rooted in safety, people-oriented, integrity first, virtuous conduct and professionalism

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

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. This announcement possesses the corporate governance best practices that the Company has adopted and highlights how the Company has applied the principles of the code provisions set out in the CG Code to the Listing Rules as its own code of corporate governance.

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

The Board will continue to review and monitor its corporate governance practices of the Group to ensure compliance with the CG Code from time to time, and to ensure that the Group is led by an effective Board with an independent view from the independent non-executive Directors, in order to optimize return for the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors, all the Directors have confirmed that they have complied with the required standard set out in Model Code during the Reporting Period.

AUDIT COMMITTEE

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

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

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website at www.czcgtl.com and the website of the Stock Exchange at www.hkexnews.hk. The interim report for the six months ended 30 June 2026 will be dispatched to the Shareholders who request the printed copy and made available on the above websites in due course.

APPRECIATION

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

DEFINITIONS

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

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"BVI"	the British Virgin Islands
"Canggang Railway Line"	a local freight railway line in Cangzhou, Hebei Province, which connects Cangzhou and Bohai New Area which contains Port Huanghua, from Cangzhou Station* (滄州站) to Gangkou Station* (港口站)
"CG Code"	the corporate governance code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company"	Canggang Railway Limited (滄港鐵路有限公司) (stock code: 2169), an exempted company incorporated in the Cayman Islands with limited liability on 19 October 2018
"Director(s)"	the director(s) of the Company
"Greenport BVI"	Greenport Railway Limited, a limited liability company incorporated under the laws of the BVI on 12 October 2018 and wholly owned by Mr. Yi Weiming
"Group", "us" or "we"	the Company and its subsidiaries from time to time, or where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time

"HK$" and "HK cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Jinghai BVI"	Jinghai Group Investment Limited (京海集團投資有限公司), a limited liability company incorporated under the laws of the BVI on 12 October 2018 and wholly owned by Mr. Liu Yongliang
"Listing"	the Shares were listed on the Main Board of the Stock Exchange
"Listing Date"	23 October 2020, since which the Shares of the Company have been listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 of the Listing Rules
"Reporting Period"	the six months ended 30 June 2026
"RMB" and "RMB cents"	Renminbi, the lawful currency of the PRC
"share(s)"	ordinary share(s) of HK$0.0025 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Share Award Scheme"	the share award scheme adopted by the Company on 28 September 2022
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"%"	per cent

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

Hong Kong, 31 August 2026

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

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