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致香港投資者之通知：發行人及擔保人(定義見下文)各自確認，債券(定義見下文)僅擬由專業投資者(定義見上市規則第37章)購買並已按該基準於香港聯合交易所有限公司上市。因此，發行人及擔保人各自確認，債券並不適合香港散戶投資者作投資用途。投資者應仔細考慮有關風險。

刊發發售通函 鐵建華源有限公司

(根據公司條例在香港註冊成立的有限公司)

(「發行人」)

於2030年到期人民幣3,000,000,000元2.18%有擔保債券

(股份代號：85087)

及

於2035年到期人民幣1,000,000,000元2.60%有擔保債券

(股份代號：85088)

由



中国铁建

中國鐵建股份有限公司

China Railway Construction Corporation Limited

(於中華人民共和國註冊成立的股份有限公司)

(股份代號：1186)

(「擔保人」)

提供無條件且不可撤銷的擔保

本公告乃根據香港聯合交易所有限公司(「**聯交所**」)證券上市規則第37.39A條刊發。

請參閱本公告隨附日期為2025年11月4日的發售通函(「**發售通函**」)，內容有關鐵建華源有限公司(一家由中國鐵建股份有限公司間接持有的全資附屬公司)發行，由中國鐵建股份有限公司提供無條件且不可撤銷擔保，並於2030年到期人民幣3,000,000,000元2.18%有擔保債券及於2035年到期人民幣1,000,000,000元2.60%有擔保債券(「**債券**」)。發售通函僅以英文版本刊發，概無刊發發售通函的中文版本。如發售通函所披露，債券僅建議由專業投資者(定義見上市規則第37章)購買，並已據此於聯交所上市。

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承董事會命
中國鐵建股份有限公司
董事長
戴和根

中國•北京

2025年11月12日

於本公告日期，中國鐵建股份有限公司的董事為：戴和根先生(董事長、執行董事)、邵烈陽先生(非執行董事)、馬傳景先生(獨立非執行董事)、解國光先生(獨立非執行董事)、錢偉倫先生(獨立非執行董事)、王俊先生(獨立非執行董事)及朱霖女士(職工董事)。

於本公告日期，鐵建華源有限公司的董事為辛雄飛先生及鄭玉鎖先生。

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR TO ANY U.S. PERSONS. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES.

UNLESS OTHERWISE SPECIFIED, REFERENCES TO “U.S. PERSONS” IN THIS DOCUMENT SHALL INCLUDE ANY PERSON THAT IS A U.S. PERSON AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND ANY PERSON THAT IS A UNITED STATES CITIZEN, LAWFUL PERMANENT RESIDENT ALIEN, ENTITY ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED STATES (INCLUDING FOREIGN BRANCHES), OR ANY PERSON IN THE UNITED STATES. REFERENCES TO “NON-U.S. PERSON” MEANS ANY PERSON OTHER THAN A U.S. PERSON.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the “Offering Circular”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

Restrictions: The Offering Circular is being furnished in connection with an offering in offshore transactions to Non-U.S. Persons outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. **Only Non-U.S. Persons outside the United States are eligible to receive the Offering Circular. Recipients of the Offering Circular are reminded to ensure that they are not engaging in a prohibited transaction under the Executive Order 13959 (as amended by Executive Order 14032) (the “Executive Order”) and associated subsequent guidance.**

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES (AS DEFINED IN THE OFFERING CIRCULAR) AND THE GUARANTEE THEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS AND SUCH TRANSACTION IS NOT PROHIBITED BY THE EXECUTIVE ORDER. THIS OFFERING IS MADE SOLELY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT. IN ADDITION, THE NOTES ARE NOT OFFERED OR SOLD TO ANY UNITED STATES CITIZEN, UNITED STATES PERMANENT RESIDENT ALIEN, ENTITY ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED STATES (INCLUDING FOREIGN BRANCHES), OR ANY PERSON IN THE UNITED STATES.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS OR TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities referred to in the Offering Circular, investors must be Non-U.S. Persons outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (1) you are not (a) a U.S. Person as defined in the Executive Order as any “United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States”, or a U.S. Person as defined in the Securities Act or (b) engaging the Joint Lead Managers (as defined below) to enter into any transactions for or on behalf of any U.S. Person and in respect of each transaction that any Joint Lead Manager or any of its subsidiaries/affiliates enters into with you, any of your subsidiaries/affiliates, any of your parent companies or any of their subsidiaries/affiliates which relates to the Offering Circular, such transaction shall not involve the participation of, or otherwise facilitate dealings with, any U.S. Person that is not authorised by the Executive Order; (2) you and any customers you represent are Non-U.S. Persons outside the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; and (3) that you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver, circulate, forward or distribute the Offering Circular to any other person.

The materials relating to the offering of securities to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation by or on behalf of any of the Issuer, the Guarantor or the Joint Lead Managers (each as defined in the Offering Circular) in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Joint Lead Managers or any person who controls a Joint Lead Manager, nor any director, officer, employee nor agent of each of the Joint Lead Managers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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CRCC HUAYUAN LIMITED

(incorporated in Hong Kong with limited liability)

CNY3,000,000,000 2.18 per cent. Guaranteed Notes due 2030

CNY1,000,000,000 2.60 per cent. Guaranteed Notes due 2035

unconditionally and irrevocably guaranteed by



中国铁建

CHINA RAILWAY CONSTRUCTION CORPORATION LIMITED

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

Issue Price for the 2030 Notes: 100.0 per cent.

Issue Price for the 2035 Notes: 100.0 per cent.

The CNY3,000,000,000 2.18 per cent. Guaranteed Notes due 2030 (the “**2030 Notes**”) and the CNY1,000,000,000 2.60 per cent. Guaranteed Notes due 2035 (the “**2035 Notes**”), together with the 2030 Notes, the “**Notes**”) will be issued by CRCC Huayuan Limited (鐵建華源有限公司) (the “**Issuer**”). The Notes will be unconditionally and irrevocably guaranteed (the “**Guarantee of the Notes**”) by China Railway Construction Corporation Limited (the “**Company**” or the “**Guarantor**”). The Guarantor will enter into a deed of guarantee (each a “**Deed of Guarantee**” together, the “**Deeds of Guarantee**”) on or around the Issue Date (as defined below) in respect of each series of the Notes. The Guarantor is a joint stock limited company incorporated in the People's Republic of China with limited liability and is listed on both the main board of the Shanghai Stock Exchange (Stock Code: 601186) and the main board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (Stock Code: 01186). In this Offering Circular, references to the “**Notes**” are to the 2030 Notes and 2035 Notes and references to a “**series of the Notes**” or a “**series**” are to the 2030 Notes and/or 2035 Notes. References to the “**Terms and Conditions**” are to the “**Terms and Conditions of the 2030 Notes**” and/or the “**Terms and Conditions of the 2035 Notes**”, as the case may be.

Each series of the Notes are in registered form in the denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.

The 2030 Notes will bear interest from and including 11 November 2025 (the “**Issue Date**”) at the rate of 2.18 per cent. per annum. The 2035 Notes will bear interest from and including the Issue Date at the rate of 2.60 per cent. per annum. Interest on the Notes is payable semi-annually in arrear on 11 May and 11 November in each year, commencing on 11 May 2026.

The Notes will constitute direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (*Negative Pledge*) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Guarantee of each series of the Notes will constitute a direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (*Negative Pledge*) of the Terms and Conditions of the relevant series of the Notes) unsecured obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Pursuant to the Administrative Measures for the Review and Registration of Mid- to Long-Term Foreign Debt of Enterprises (NDRC Order No. 56) (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號)) promulgated by the National Development and Reform Commission of the PRC (the “**NDRC**”) on 5 January 2023 and came into effect on 10 February 2023 (the “**NDRC Foreign Debt Measures**”), the Issuer has registered the issuance of the Notes with the NDRC and has obtained a certificate from the NDRC on 23 October 2025 evidencing such registration and will undertake under the Terms and Conditions of the Notes to file the requisite information and documents with the NDRC within the time period prescribed by NDRC or under the NDRC Foreign Debt Measures after the issue of the Notes.

The Guarantor will (i) file or cause to be filed with the State Administration of Foreign Exchange or its local branch (“**SAFE**”) in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014 (“**Cross-Border Security Registration**”), and any implementation rules as issued by SAFE from time to time, (ii) use its best endeavours to complete the Cross-Border Security Registration and obtain a registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE on or before the Registration Deadline (as defined in the Terms and Conditions of the Notes) and (iii) comply with all applicable PRC laws and regulations in relation to provision of the Guarantee of the Notes.

Payments on the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or Hong Kong (each, a “**Relevant Jurisdiction**”) to the extent described in the Terms and Conditions of the Notes.

Application will be made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited “**Professional Investors**”) only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer and the Guarantor confirm that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Notes or the Issuer, the Guarantor or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Unless previously redeemed, or purchased and cancelled, the Issuer will redeem the 2030 Notes at its principal amount on the Interest Payment Date (as defined in the Terms and Conditions of the 2030 Notes) falling on, or nearest to 11 November 2030 and the 2035 Notes at its principal amount on the Interest Payment Date (as defined in the Terms and Conditions of the 2035 Notes) falling on, or nearest to 11 November 2035. At any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders of the relevant series of the Notes (as defined in the Terms and Conditions of the Notes) (which notice shall be irrevocable), the Issuer may redeem the Notes in whole, but not in part, at their principal amount, together with interest accrued to, but excluding, the date fixed for redemption, in the event of certain changes affecting taxes of any Relevant Jurisdiction. At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Notes), the Holder of any Note will have the right, at such Holder’s option, to require the Issuer to redeem all but not some only of that Holder’s Notes on the Put Settlement Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount (in the case of redemption for a Change of Control Event (as defined in the Terms and Conditions of the Notes) or at 100 per cent. of their principal amount (in the case of redemption for a Non-Registration Event (as defined in the Terms and Conditions of the Notes)), in each case together with interest accrued up to, but excluding, such Put Settlement Date. The 2030 Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2030 and the 2035 Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2035, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders (in accordance with Condition 15 (*Notices*) of the Terms and Conditions of the Notes) and in writing to the Trustee and the CMU Lodging and Paying Agent (as defined in the Terms and Conditions of the Notes) at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption. See “*Terms and Conditions of the Notes — Redemption and Purchase*”.

Investing in the Notes involves risks. See “**Risk Factors**” beginning on page 21 for a description of certain factors to be considered in connection with an investment in the Notes.

The Notes and the Guarantee of the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such transaction is not otherwise prohibited by the Executive Order. Accordingly, the Notes and the Guarantee of the Notes are being offered and sold only outside the United States to Non-U.S. Persons. Unless otherwise specified, references to “**U.S. Persons**” in this Offering Circular shall include any person that is a U.S. Person as defined in Regulation S under the Securities Act and any person that is a United States citizen, lawful permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any Person in the United States. References to “**Non-U.S. Person**” means any person other than a U.S. Person. For a description of these and certain restrictions on offers and sales of the Notes and the Guarantee of the Notes and the distribution of this Offering Circular, see “*Subscription and Sale*”.

Each series of the Notes will be represented initially by interests in a global note certificate (each, a “**Global Note Certificate**” and together, the “**Global Note Certificates**”) in registered form, which will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority (“**HKMA**”) as operator (the “**Operator**”) of the Central Moneymarkets Units Service (the “**CMU**”) on the Issue Date. For persons seeking to hold a beneficial interest in the Notes through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”), together with Euroclear and the CMU, the “**Clearing Systems**”, each a “**Clearing System**”), such persons will hold their interests through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Beneficial interests in the Global Note Certificates will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the relevant Global Note Certificate, certificates for each series of the Notes will not be issued in exchange for interests in the relevant Global Note Certificate.

The Notes are expected to be rated “A3” by Moody’s Investors Services (“**Moody’s**”). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Guarantor is rated “A3” by Moody’s and “A-” by S&P.

The Notes are being issued as “**Green Notes**” under the Green Finance Framework (as defined below) of the Issuer. See “**Green Finance Framework**” on page 101.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Huatai International

ICBC

**Bank of China
(Hong Kong)**

DBS Bank Ltd.

Joint Lead Managers and Joint Bookrunners

**CMB
International**

**ABC
International**

**China International
Capital Corporation**

**Bank of
Communications**

**China Construction
Bank (Asia)**

**CITIC
Securities**

OCBC

Joint Green Structuring Advisers

Huatai International

ICBC

Offering Circular dated 4 November 2025

IMPORTANT NOTICE

The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong or elsewhere.

Investors are advised to exercise caution in relation to the offering of the Notes (the “**Offering**”) described herein. If investors are in any doubt about any of the contents of this Offering Circular, they should obtain independent professional advice.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Guarantor’s subsidiaries taken as a whole (collectively, the “**Group**”), the Notes and the Guarantee of the Notes which is material in the context of the issue and offering of the Notes (including all information which, according to the particular nature of the Issuer, the Guarantor, the Group, the Notes and the Guarantee of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Group and of the rights attaching to the Notes and the Guarantee of the Notes), (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor, the Group, the Notes and the Guarantee of the Notes are in all material respects true and accurate and not misleading, (iii) the opinions and intentions relating to the Issuer, the Guarantor and the Group expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other material facts relating to the Issuer, the Guarantor, the Group, the Notes and the Guarantee of the Notes the omission of which would, in the context of the issue and offering of the Notes and the giving of the Guarantee of the Notes, make any statement in this Offering Circular, in light of the circumstances under which they were made, misleading, (v) all statistical, industry and market-related data included in this Offering Circular are derived from sources which are accurate and reliable, (vi) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements and (vii) all descriptions of contracts or other material documents described in this Offering Circular are accurate description in all material respects and fairly summarise the contents of such contracts or documents.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes described in this Offering Circular. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and Huatai Financial Holdings (Hong Kong) Limited, ICBC International Securities Limited, Bank of China (Hong Kong) Limited, DBS Bank Ltd., CMB International Capital Limited, ABCI Capital Limited, China International Capital Corporation Hong Kong Securities Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, CLSA Limited, and Oversea-Chinese Banking Corporation Limited (together, the “**Joint Lead Managers**”, and each a “**Joint Lead Manager**”), the Trustee and the Agents (each as defined in the “*Terms and Conditions of the Notes*”) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Notes in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes, the Guarantor giving the Guarantee of the Notes and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and the distribution of this Offering Circular, see “*Subscription and Sale*”. This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Notes, investors represent and agree to all of those provisions contained in that section of this Offering Circular. Each of the Issuer, the Guarantor, the Joint Lead Managers and their respective affiliates, reserves the right to reject any offer to purchase the Notes, in whole or in part, for any reason.

No person has been or is authorised in connection with the issue, offer or sale of the Notes to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Notes or

the Guarantee of the Notes other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor or the Group, or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them to subscribe for or purchase, any of the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Notes. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Notes offered by this Offering Circular is prohibited. **Only Non-U.S. Persons outside the United States are eligible to receive this Offering Circular. Recipients of this Offering Circular are reminded to ensure that they are not engaging in a prohibited transaction under the Executive Order and associated subsequent guidance. Each offeree of the Notes, by accepting delivery of this Offering Circular, agrees to the foregoing and is deemed to have represented to the Issuer, the Guarantor, the Joint Lead Managers, the Trustee and the Agents and their respective directors, advisors and affiliates that (i) such offeree and any customers it represents are Non-U.S. Persons outside the United States and therefore not (a) a U.S. Person as defined in the Executive Order as any “United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States”, or a U.S. Person as defined in the Securities Act or (b) engaging the Joint Lead Managers, the Trustee or any Agent to enter into any transactions for or on behalf of any U.S. Person and (ii) in respect of each transaction that any Joint Lead Manager or any of its subsidiaries/affiliates enters into with such offeree or any customer it represents, any of their respective subsidiaries/affiliates, any of their respective parent companies or any of their subsidiaries/affiliates which relates to this Offering Circular or any Note, such transaction shall not involve the participation of, or otherwise facilitate dealings with, any U.S. Person that is not authorised by the Executive Order.**

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Notes, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them. The Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, officers, employees, representatives, agents and advisers and persons who control any of them have not independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Group or the issue and offering of the Notes. Each of the Joint Lead Managers, the Trustee, the Agents and their respective affiliates, directors, officers, employees, representatives, agents and advisers and persons who control any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group for so long as the Notes remain outstanding nor to advise any investor or potential investor of the Notes of any information coming to the attention of any of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

The Issuer and the Guarantor are making the offering in reliance upon exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. For a further description of certain restrictions on the offering and sale of the Notes, see “*Subscription and Sale*”.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE “STABILISATION MANAGER”), OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER, MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group or the Notes. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor and the Group and the terms of the offering of the Notes, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes. The Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, directors, officers, employees, representatives, agents and advisers and persons who control any of them are not making any representation to any purchaser of Notes regarding the legality of any investment in the Notes by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer and the Guarantor believe this information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them, and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, representatives, agents and advisers and persons who control any of them makes any representation as to the accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents.

None of the Joint Lead Managers makes any representation as to the suitability of any Notes to fulfil any green, environmental or sustainability criteria required by any prospective investors. Investors should refer to the Green Finance Framework (as defined herein) which the Issuer may publish from time to time, the Second Party Opinion (as defined herein) delivered in respect thereof, and any public reporting by or on behalf of the Issuer or the Guarantor in respect of the application of the proceeds of the Notes for further information. Any such sustainability framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Offering Circular and none of the Joint Lead Managers makes any representation as to the suitability or contents thereof.

Singapore Securities and Futures Act Product Classification — Solely for the purposes of its obligations pursuant to sections 30913(1)(a) and 30913(1)(c) of the Securities and Futures Act (Chapter

289 of Singapore) (as modified or amended from time to time, the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Joint Lead Managers, are “capital market intermediaries” (the “CMI”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (the “OCs”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer or the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding the Company’s and the Group’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Company or the Group participates or is seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “will”, “may”, “anticipate”, “seek”, “should”, “estimate” or similar expressions or the negatives thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company’s or the Group’s control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company’s and the Group’s present and future business strategies and the environment in which the Company or the Group will operate in the future. Important factors that could cause the Company’s or the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- industry risks;
- general economic, political, social conditions and developments in China;
- the Group’s business and operating strategies;
- the Group’s capital expenditure plans;
- various business opportunities that the Group may pursue;
- the Group’s operations and business prospects;
- the Group’s financial condition and results of operations;
- fluctuation in price and availability of raw materials;
- availability and charges of bank loans and other forms of financing;
- changes in competitive conditions and its ability to compete under these conditions;
- changes in currency exchange rates; and
- other factors beyond the Group’s control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and elsewhere in this Offering Circular. The Issuer and the Company caution investors not to place undue reliance on these forward-looking statements which reflect their managements’ view only as at the date of this Offering Circular. Neither the Issuer nor the Company undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

PRESENTATION OF FINANCIAL INFORMATION

The Guarantor

The audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2022, 2023 and 2024 included in this Offering Circular have been extracted from the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2023 and 2024 (the “**Audited Financial Statements**”) included elsewhere in this Offering Circular. The Audited Financial Statements have been prepared and presented in accordance with the Accounting Standards for Business Enterprises and other relevant provisions issued and revised from time to time by the Ministry of Finance of the PRC (“**PRC GAAP**”) and have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (“**Deloitte**”).

This Offering Circular includes unaudited but reviewed consolidated financial information of the Guarantor as at and for the six months ended 30 June 2024 which has been extracted from and should be read in conjunction with and is qualified in its entirety by reference to the unaudited but reviewed consolidated financial statements of the Guarantor as at and for the six months ended 30 June 2024 included elsewhere in this Offering Circular (the “**2024 Financial Statements**”). The 2024 Financial Statements have been prepared and presented in accordance with PRC GAAP and have been reviewed by Deloitte.

This Offering Circular includes unaudited but reviewed consolidated financial information of the Guarantor as at and for the six months ended 30 June 2025 which has been extracted from and should be read in conjunction with and is qualified in its entirety by reference to the unaudited but reviewed consolidated financial statements of the Guarantor as at and for the six months ended 30 June 2025 included elsewhere in this Offering Circular (the “**2025 Financial Statements**”). The 2025 Financial Statements have been prepared and presented in accordance with PRC GAAP and have been reviewed by Ernst & Young Hua Ming LLP (“**Ernst & Young**”).

The 2024 Financial Statements and the 2025 Financial Statements (collectively, the “**Reviewed Financial Statements**”) have not been audited by the Group’s independent accountants, or any other independent accountants. Such financial information should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit. Consequently, none of the Joint Lead Managers, the Trustee, any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) makes any representation or warranty, express or implied, regarding the accuracy of such financial statements or their sufficiency for an assessment of, and potential investors must exercise caution when using such data to evaluate the Company’s financial condition, results of operations and results. The 2025 Financial Statements should not be taken as an indication of the expected financial condition, results of operations and results of the Company for the full financial year ending 31 December 2025.

Certain amounts and percentages included in this Offering Circular have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not exactly equal the total figure for that column.

PRC GAAP differs in certain material respects from the International Financial Reporting Standards (“**IFRS**”). For a discussion of certain differences between PRC GAAP and IFRS, see “*Description of Certain Differences between PRC GAAP and IFRS*”.

The *Accounting Standards for Business Enterprises Interpretation No. 16* (the “**Interpretation No. 16**”) was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to multiple assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the scope of deferred income tax initial recognition exemption in the *Accounting Standards for Business Enterprises Interpretation No. 18 — Income Tax*, and specified that the temporary difference arising from the initial recognition (other than in a business combination) of assets and liabilities in a single transaction that affect neither taxable profit nor accounting profit (or deductible tax losses) and at the time of the transaction giving rise to equal taxable and deductible temporary differences were not applied for the deferred income tax initial recognition exemption in *Accounting Standards for Business Enterprises Interpretation No. 18 — Income Tax*.

The Group has applied the Interpretation No. 16 retrospectively since 1 January 2023 to the individual transaction occurred between the beginning of the earliest comparative period presented and 1 January 2023, and financial statements of comparative periods have been restated.

The *Accounting Standards for Business Enterprises Interpretation No. 17* (the “**Interpretation No. 17**”) and the *Accounting Standards for Business Enterprises Interpretation No. 18* (the “**Interpretation No. 18**”) were issued by the Ministry of Finance on 25 October 2023 and 6 December 2024, respectively, and the Group is required to apply the relevant provisions in accordance with the effective dates of the Interpretation No. 17 and Interpretation No. 18.

Interpretation No. 17 stipulated the classification of current and non-current liabilities and the accounting treatment of leaseback transactions. This Interpretation became effective from 1 January 2024. After assessment, the Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

Interpretation No. 18 stipulated the accounting treatment of assurance-type warranties which are not separate performance obligations. The interpretation became effective from 6 December 2024, and the enterprise is allowed to implement it in advance from the year of release. The Group accounted for the assurance-type quality assurance in “selling and distribution expenses” and implemented the Interpretation in advance in 2024.

The figures as at 31 December 2022 and for the year ended 31 December 2022 and 2023 included in this Offering Circular are restated.

CERTAIN DEFINITIONS AND CONVENTIONS

Unless the context otherwise requires, references in this Offering Circular to “**Renminbi**”, “**CNY**” and “**RMB**” are to the lawful currency of the PRC, “**U.S. dollars**”, “**U.S.\$**” and “**USD**” are to the lawful currency of the United States of America, “**Hong Kong dollars**”, “**HK\$**” and “**HKD**” are to the lawful currency of Hong Kong, the “**U.S.**” or “**US**” means the United States of America, the “**PRC**” and “**China**” mean the People’s Republic of China which for the purpose of this Offering Circular excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan Region, “**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC, and “**Macau**” means the Macau Special Administrative Region of the PRC.

In this Offering Circular, where information has been presented in thousands, millions, or billions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety, including the section entitled “Risk Factors”, before making an investment decision.

OVERVIEW

Originally founded as the Railway Corps of the People’s Liberation Army, the Company was formally established on 5 November 2007 with the Controlling Shareholder as the sole promoter approved by the State Council and the SASAC. The Company is one of the largest integrated construction companies globally, and is an ultra-large construction enterprise under SASAC’s direct supervision. The Group was included among the “Top 250 Global Contractors” and “Top 150 Global Engineering Design Companies”, by ENR, an American magazine, and ranked No. 3 and No. 23, respectively, in 2025. It was listed among the Fortune “Global 500” consecutively for 20 years, ranking No. 51 in 2025 and the Brand Finance Global 500, ranking No. 133 in 2025. The Company won the Special Invention Award and Gold Medal at the 50th Geneva International Exhibition of Inventions in 2025.

The Group operates a wide range of business, covering construction, planning, design and consultancy, manufacturing, real estate development, materials and logistics, investment, finance and other emerging industries. The Group has established its industry leadership in the fields of engineering design and construction for plateau railways, high speed railways, expressways, bridges, tunnels and urban rail transits. Over the years, the Group has constructed 50% of China’s conventional and high-speed railways, 40% of urban rail transit, and 30% of high-grade roads. The Group operated and maintained over 3,000 kilometers of railway tracks, 4,000 kilometers of expressway and 3.14 million square meters of property as at 31 December 2024. In addition, the Group manufactures equipment used in engineering and construction projects, provides logistics and materials trading services, and develops real estate projects. This allows the Group to provide extensive services and products covering scientific research, planning, survey, design, construction, supervision and management, maintenance, operation as well as investment and financing. As a result, the Group has upgraded itself from an established market leader in China to a global competitor in the industry of engineering design and construction specialising in plateau railways, high-speed railways, highways, bridges, tunnels and urban rail transits.

The Group is one of the strongest and largest-scale integrated construction groups in the world and one of the largest railway construction group in China. It was included in the “Top 250 Global Contractors” by ENR, an American magazine, with a ranking of No. 3 in 2025. The Group has engaged in the metropolitan railway projects in almost all cities in China that have developed metropolitan railways. The Group is a pioneer in the survey, design and consultancy industry in China. The Group is also one of the largest manufacturers of large rail track maintenance machinery with over 80.00 per cent. of the domestic market share in China in 2024. In 2024, the construction of the Xiong’ an New Area, the Three-North Shelterbelt Project and other related projects has been steadily advanced by the Group. Major projects of the Group such as the Shanghai-Suzhou-Huzhou high-speed railway and the Yinchuan-Kunming Expressway project have been successfully completed. The Macau Bridge and the Hengqin Extension of the Macau Light Rail Transit were opened to traffic, celebrating the 25th anniversary of Macau’s return to the motherland. The world’s tallest hotel building, the Dubai Sky Way Hotel in the UAE, was delivered by the Group, and China’s first 5,000-ton self-propelled full-rotation crane ship was successfully launched by the Group, while production operations remained stable.

The Group has a strong R&D team with top-tier talents in China. It consists of, among others, one member of the Chinese Academy of Engineering, 10 National Survey and Design Masters, 11 national candidates of the “Bai Qian Wan Talents Project” and 309 experts who are recipients of special subsidies granted by the State Council. In 2024, the Group received three National Prizes for Science and Technology and 17 Zhan Tianyou Civil Engineering Awards. As at 31 December 2024, the Group cumulatively holds 40,638 valid patents.

The following table sets forth the breakdown of the Group’s revenue by segment for the years/periods indicated:

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(RMB in millions)				
	(Unaudited)				
Construction operation	964,715.8	987,324.5	931,245.5	451,614.8	434,599.6
Planning, design and consultancy operation . .	20,295.9	18,754.0	18,024.3	8,002.3	6,743.2
Manufacturing operation	24,732.3	23,999.3	23,394.7	11,233.5	11,826.0
Real estate development operation	62,253.7	83,271.8	71,890.4	31,547.6	20,755.4
Other businesses	95,498.5	95,865.8	86,864.1	42,164.5	40,718.1
Inter-segment elimination	(71,183.3)	(71,221.9)	(64,247.7)	(28,426.0)	(25,443.2)
Total	1,096,312.9	1,137,993.5	1,067,171.3	516,136.7	489,199.0

The following table sets forth the breakdown of the Group’s gross profit by segment for the years/periods indicated:

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
	(Unaudited)									
Construction operation	83,073.2	8.61	87,614.0	8.87	81,454.3	8.75	34,128.0	7.56	32,277.3	7.43
Planning, design and consultancy	7,277.8	35.86	8,114.5	43.27	7,562.4	41.96	3,389.1	42.35	2,681.7	39.77
Manufacturing operation	5,579.4	22.56	5,237.9	21.83	5,228.8	22.35	2,364.4	21.05	2,504.1	21.17
Real estate development operation	8,718.0	14.00	10,166.7	12.21	7,851.3	10.92	3,608.8	11.44	2,008.3	9.68
Other businesses	7,092.6	7.43	7,613.8	7.94	7,965.0	9.17	3,882.5	9.21	4,016.9	9.87
Inter-segment elimination	(1,175.8)	–	(502.5)	–	(492.3)	–	(306.3)	–	(227.0)	–
Total	110,565.2	10.09	118,244.4	10.40	109,569.5	10.27	47,066.5	9.12	43,261.3	8.84

As at 31 December 2024, the Group had operations in 32 provinces, autonomous regions and municipalities in China as well as 148 countries and regions in the world. As at 31 December 2024, the Group had 11,121 projects under construction, 9,423 of which were located in the Chinese mainland while the other 1,698 were located abroad. The following table sets forth the Group's revenue by geographic regions for the years/periods indicated:

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin
	RMB in millions	%	RMB in millions	%	RMB in millions	%	RMB in millions	%	RMB in millions	%
	Unaudited									
Domestic	1,042,234.3	10.21	1,077,683.6	10.59	1,001,272.6	10.45	485,303.0	9.30	452,109.6	9.03
Overseas	54,078.5	7.73	60,309.9	6.87	65,898.7	7.49	30,833.8	6.24	37,089.5	6.53
Total	1,096,312.9	10.09	1,137,993.5	10.40	1,067,171.3	10.27	516,136.7	9.12	489,199.0	8.84

For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group's newly-signed contracts amounted to RMB3,245.0 billion, RMB3,293.9 billion, RMB3,037.0 billion and RMB1,056.2 billion, respectively. In 2024, newly-signed contracts from Chinese mainland and overseas amounted to RMB2,725.0 billion and RMB312.0 billion, respectively, representing 89.7% and 10.3%, respectively, of the total newly-signed contract value. As at 31 December 2024, the Group's backlog was RMB4,282.1 billion. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the gross profit margin of the Group was 10.09 per cent., 10.40 per cent., 10.27 per cent. and 8.84 per cent., respectively. The total assets of the Group reached RMB2,006.6 billion as at 30 June 2025, representing an increase of RMB143.8 billion from that as at 31 December 2024.

The Company was established as a joint stock company with limited liability under PRC law on 5 November 2007 with a registered capital of RMB8.0 billion. As at 31 December 2024, the Controlling Shareholder, which is wholly owned by SASAC, held 51.23 per cent. of the shares of the Company. The Company was listed on the main board of the Shanghai Stock Exchange on 10 March 2008 and listed on the main board of the Hong Kong Stock Exchange on 13 March 2008. As at the date of this Offering Circular, the registered share capital of the Company is RMB13,579,541,500 divided into 13,579,541,500.0 ordinary shares of RMB1.0 par value each and its issued share capital is RMB13,579,541,500.0 consisting of 13,579,541,500 ordinary shares of RMB1.0 par value each.

The Group mainly conducts the following businesses:

- **Construction operation**, the traditional and core business of the Group. The Group's construction operations mainly include railways, highways, rail transits, water conservancy and hydropower, housing construction, municipal engineering, bridges, tunnels, airports and wharves;

- ***Planning, design and consultancy***, services covering civil engineering and infrastructure construction related to railway, urban rail transits, highways, municipal administration, industrial and civil buildings, magnetic levitation, water transport, hydropower, airports and civil defense, with continuous efforts in expansion to emerging industries and areas, such as intelligent transport, modern tramcar, urban utility tunnel, urban underground space, ecological environment and environmental protection;
- ***Manufacturing***, a combination of research, manufacturing, sales and services with focus on three core areas, i.e. equipment manufacturing, material production and precast concrete production. After years of development, the Group has become a leading material and professional equipment manufacturing service provider with international advanced market position. The business scope covers large railway track maintenance machinery, underground construction equipment, rail construction equipment, concrete construction equipment, lifting equipment, bridge construction equipment, compacting equipment, concrete products, bridge steel structures, turnout and spring bar fastener, and electric contact wire and parts;
- ***Real estate development***, including the development, construction and sale of residential and, to a lesser extent, other industrial real estate. The Group is among 16 state SASAC-owned enterprises which are specifically permitted to have real estate development as its principle business;
- ***Materials, logistics and other businesses***, including logistics, warehousing and distribution, spot trading and international trading, financial insurance, concession, mining resources development and railway operation and management.

COMPETITIVE STRENGTHS

The growth and development of the Group can be primarily attributed to the following competitive strengths:

- The Group is one of the world's strongest and largest-scale integrated construction group, with numerous qualifications covering a complete chain of industry.
- The Group has long history in overseas operation with excellent achievements.
- The Group possesses numerous key technologies for its various core businesses and equips with technology self-development and innovation capabilities as well as advanced equipment.
- The Group has expanded into diversified businesses with market leadership in various segments and areas.
- The Group has a diversified and dimensional channels of finance.
- The Group benefits from its experienced management team, capable professional technical talents and prestigious legacy, its widely-recognised brand name and excellent corporate culture.

BUSINESS STRATEGIES

The Group's vision is to become the world's top-tier modern enterprise. During the 14th Five-Year Plan period, the Group will implement its overall strategy of becoming a trustworthy work-class comprehensive construction group with oriented construction business and diversified related business through guidance by value and drivers of excellence in quality. While reinforcing and upgrading its traditional construction business at one end, the Group also plans to incubate and grow its businesses in emerging industries so as to forge its leading market position in five new tracks: i.e. new infrastructure construction, new equipment, new material, new energy and new service. In order to achieve this goal, the Group will accelerate its transformation to high-end, intelligent, green, refinement, digital and international. In particular, the Group intend to implement the following strategies:

- Continue to develop construction as its pillar business.
- Leverage the synergy of diversified business model of the Group to forge “high-quality CRCC” to achieve the goal of becoming a comprehensive construction industry group.
- Continue to strength its capability in research and development and foster new quality of productivity.
- Continue to pursue economic benefits from dual circulation and interaction between domestic and overseas operations to achieve high-quality overseas development.

THE OFFERING

The following summary contains some basic information about the Notes and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the 2030 Notes” and “Terms and Conditions of the 2035 Notes” shall have the same meanings in this summary. For a complete description of the terms of the Notes, see “Terms and Conditions of the 2030 Notes” and “Terms and Conditions of the 2035 Notes” in this Offering Circular.

Issuer	CRCC Huayuan Limited (鐵建華源有限公司)
Guarantor	China Railway Construction Corporation Limited
2030 Notes	CNY3,000,000,000 2.18 per cent. Guaranteed Notes due 2030
2035 Notes	CNY1,000,000,000 2.60 per cent. Guaranteed Notes due 2035
Guarantee of the Notes	The Guarantor has in the Deed of Guarantee for each series of Notes unconditionally and irrevocably guaranteed the due and punctual payment in full of all sums in respect of each series of the Notes.
Issue Price	2030 Notes: 100.0 per cent. 2035 Notes: 100.0 per cent.
Form and Denomination	Each series of the Notes will be issued in registered form in the denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.
Interest	The 2030 Notes will bear interest from and including 11 November 2025 at the rate of 2.18 per cent. per annum, payable semi-annually in arrear on 11 May and 11 November in each year (each, an “2030 Notes Interest Payment Date”) commencing on 11 May 2026, <i>provided that</i>, if any 2030 Notes Interest Payment Date would otherwise fall on a day which is not a business day (as defined in the Terms and Conditions of the 2030 Notes), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding business day. The 2035 Notes will bear interest from and including 11 November 2025 at the rate of 2.60 per cent. per annum, payable semi-annually in arrear on 11 May and 11 November in each year (each, an “2035 Notes Interest Payment Date”) commencing on 11 May 2026, <i>provided that</i>, if any 2035 Notes Interest Payment Date would otherwise fall on a day which is not a business day (as defined in the Terms and Conditions of the 2035 Notes), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding business day.

Issue Date	11 November 2025
Maturity Date	2030 Notes: The 2030 Notes Interest Payment Date falling on, or nearest to, 11 November 2030 2035 Notes: The 2035 Notes Interest Payment Date falling on, or nearest to, 11 November 2035
Status of the Notes	Each series of the Notes constitutes direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (<i>Negative Pledge</i>) of the Terms and Conditions of the relevant series of the Notes) unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Guarantee of the Notes	The Guarantee of each series of the Notes constitutes a direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (<i>Negative Pledge</i>) of the Terms and Conditions of the relevant series of the Notes) unsecured obligation of the Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	Each series of the Notes will contain a negative pledge provision as further described in Condition 3(a) (<i>Negative Pledge</i>) of the Terms and Conditions of the relevant series of the Notes.
Redemption at Maturity	Unless previously redeemed, or purchased and cancelled, the 2030 Notes will be redeemed at their principal amount on the 2030 Notes Interest Payment Date falling on, or nearest to 11 November 2030, subject as provided in Condition 6 (<i>Payments</i>) of the Terms and Conditions of the 2030 Notes. Unless previously redeemed, or purchased and cancelled, the 2035 Notes will be redeemed at their principal amount on the 2035 Notes Interest Payment Date falling on, or nearest to 11 November 2035, subject as provided in Condition 6 (<i>Payments</i>) of the Terms and Conditions of the 2035 Notes.

NDRC Filing The Guarantor will undertake to:

- (a) file or cause to be filed with the NDRC the requisite information and documents within the prescribed time period in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》) issued by the NDRC and effective as at 10 February 2023, and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-issue Filing**”) and comply with all applicable PRC laws and regulations in connection with each series of the Notes; and
- (b) within ten PRC Business Days after submission of such NDRC Post-issue Filing (i) provide the Trustee with a certificate in English signed by any Authorised Signatory of the Guarantor confirming the submission of the NDRC Post-issue Filing and (ii) give notice to the Noteholders in accordance with Condition 15 (*Notices*) of the Terms and Conditions of the relevant series of the Notes.

SAFE Registration The Guarantor will undertake to:

- (a) file or cause to be filed with SAFE for the registration of the Deed of Guarantee of each series of the Notes in accordance with, and within the time period prescribed by, the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014 (the “**Cross-Border Security Registration**”), and any implementation rules as issued by SAFE from time to time;
- (b) use its best endeavours to complete the Cross-Border Security Registration and obtain a registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE on or before the Registration Deadline;
- (c) comply with all applicable PRC laws and regulations in relation to the provision of the Guarantee of each series of the Notes; and

- (d) within ten PRC Business Days after receipt of the registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE (i) provide the Trustee with a certificate signed by any Authorised Signatory of the Guarantor, confirming the completion of the Cross- Border Security Registration and (ii) give notice to the Noteholders confirming the completion of the Cross-Border Security Registration in accordance with Condition 15 (*Notices*) of the Terms and Conditions of the relevant series of the Notes.

Taxation All payments of principal and interest in respect of each series of the Notes and under the Guarantee of the relevant series of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong or the PRC or any jurisdiction in which the Issuer and the Guarantor, respectively, is incorporated or any jurisdiction of residence for tax purposes of the Issuer and the Guarantor, respectively (each, a “**Relevant Jurisdiction**”) or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law.

Where such withholding or deduction is required by law and is made by the Issuer or the Guarantor as a result of the Issuer or the Guarantor being deemed to be a PRC tax resident by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax at the rate applicable on 4 November 2025 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax in excess of the Applicable Rate; or (ii) by or within any Relevant Jurisdiction or any political subdivision thereof or authority therein or thereof having power to tax except the PRC, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amount**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts referred to in Condition 7 (*Taxation*) of the Terms and Conditions of the relevant series of the Notes shall be payable in respect of any Notes in the limited circumstances as further described therein.

Redemption for Tax Reasons . . . Each series of the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with the Terms and Conditions of the relevant series of the Notes (which notice shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that (i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) of the Terms and Conditions of the relevant series of the Notes as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the relevant series of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) of the Terms and Conditions of the relevant series of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Tax Amounts if a payment in respect of the relevant series of the Notes were then due or (as the case may be) a demand under the Guarantee of the relevant series of the Notes were then made.

Redemption for a Relevant Event At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the relevant series of the Notes), the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Note on the Put Settlement Date (as defined in the Terms and Conditions of the relevant series of the Notes) at 101 per cent. of their principal amount (in the case of a redemption for a Change of Control Event (as defined in the Terms and Conditions of the relevant series of the Notes)) or at 100 per cent. of their principal amount (in the case of a redemption for a Non-Registration Event (as defined in the Terms and Conditions of the relevant series of the Notes)), in each case together with interest accrued up to, but excluding, such Put Settlement Date, as further described in Condition 5(c) (*Redemption for a Relevant Event*) of the Terms and Conditions of the relevant series of the Notes.

Redemption at the Option of the Issuer	The 2030 Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2030 and the 2035 Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2035, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 15 (<i>Notices</i>) of the Terms and Conditions of the relevant series of the Notes and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption.
Events of Default	Upon the occurrence of certain events as described in Condition 8 (<i>Events of Default</i>) of the Terms and Conditions of the relevant series of the Notes, the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution (as defined in the Terms and Conditions of the relevant series of the Notes), shall (subject to the Trustee having been indemnified and/or pre-funded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the relevant series of the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. See " <i>Terms and Conditions of the Notes — Events of Default</i> ".
Cross-default of Issuer, Guarantor or Subsidiary	Each series of the Notes will contain a cross-default provision as further described in Condition 8(c) (<i>Events of Default — Cross-default of Issuer, Guarantor or Subsidiary</i>) of the Terms and Conditions of the relevant series of the Notes.
Clearing Systems	Each series of the Notes will be represented initially by beneficial interests in a Global Note Certificate, which will be registered in the name of, and lodged with a sub-custodian for, the HKMA as Operator of the CMU. Beneficial interests in the Global Note Certificates will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. For persons seeking to hold a beneficial interest in the relevant series of the Notes through Euroclear and Clearstream, such persons will hold their interest through an account opened and held by Euroclear or Clearstream (as the case may be) with the CMU. Except as described in the relevant Global Note Certificate, definitive certificates for the relevant series of the Notes will not be issued in exchange for beneficial interests in the relevant Global Note Certificate.

Clearance and Settlement	The 2030 Notes have been accepted for clearance by the CMU under the following codes: CMU Instrument Number: BOAKFN25042 ISIN: HK0001206322 Common Code: 320940273 The 2035 Notes have been accepted for clearance by the CMU under the following codes: CMU Instrument Number: BOAKFN25043 ISIN: HK0001206488 Common Code: 321076033
LEI Code	The Issuer's Legal Entity Identifier is: 836800BREZFIQXIMMH20.
Governing Law	English Law
Trustee, CMU Lodging and Paying Agent, Registrar and Transfer Agent	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only.
Selling Restrictions	The Notes will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See " <i>Subscription and Sale</i> ".
Ratings	Each series of the Notes are expected to be rated "A3" by Moody's. Security ratings are not recommendations to buy, sell or hold the Notes. Ratings are subject to revision or withdrawal at any time by the rating agency.
Use of Proceeds	See " <i>Use of Proceeds</i> ".
Green Finance Framework	Each series of the Notes are being issued as "Green Notes" under the Issuer's Green Finance Framework. See " <i>Green Finance Framework</i> ".

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

The consolidated financial information of the Company as at and for the year ended 31 December 2022, 2023 and 2024 included in this Offering Circular have been extracted from the Audited Financial Statements. The consolidated financial information of the Company as at and for the six months ended 30 June 2024 and 2025 included in this Offering Circular have been extracted from the Reviewed Financial Statements. The audited consolidated financial information of the Company as at and for the year ended 31 December 2023 and 2024 have been prepared and presented in accordance with PRC GAAP and have been audited by Deloitte. The unaudited consolidated financial statements of the Company as at and for the six months ended 30 June 2024 have been prepared and presented in accordance with PRC GAAP and have been reviewed by Deloitte. The unaudited consolidated financial statements of the Company as at and for the six months ended 30 June 2025 have been prepared and presented in accordance with PRC GAAP and have been reviewed by Ernst & Young. Historical results of the Company are not necessarily indicative of results to be expected for any future periods.

The Reviewed Financial Statements have not been audited by Deloitte or Ernst & Young or any other independent auditors. Consequently, the Reviewed Financial Statements should not be relied upon by prospective investors to provide the same quality of information associated with information that has been subject to an audit. Consequently, none of the Joint Lead Managers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) makes any representation or warranty, express or implied, regarding the accuracy of such financial statements or their sufficiency for an assessment of, and potential investors must exercise caution when using such data to evaluate the Company's financial condition, results of operations and results. The 2025 Financial Statements should not be taken as an indication of the expected financial condition, results of operations and results of the Company for the full financial year ending 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(restated)	(restated)			
	(RMB'000)			(Unaudited)	
Revenue	1,096,312,867	1,137,993,486	1,067,171,337	516,136,718	489,199,045
Less: Cost of sales	985,747,674	1,019,749,051	957,601,788	469,070,241	445,937,731
Taxes and surcharges	4,173,433	4,296,937	3,629,371	1,561,668	1,473,526
Selling and distribution expenses	6,642,387	7,311,902	6,836,126	2,964,103	2,712,168
General and administrative expenses	21,873,045	23,466,318	22,328,601	10,235,150	9,239,703
Research and development expenses	25,003,936	26,725,454	25,713,270	8,610,730	7,516,476
Finance costs	3,578,296	4,661,449	7,946,298	2,958,492	4,265,445
Including: Interest expenses	6,143,183	7,459,090	9,635,257	4,201,799	5,795,407
Interest income	4,391,798	4,216,238	3,767,214	1,683,522	1,826,595
Add: Other income	1,098,735	954,634	741,116	288,889	326,480
Investment losses	(4,665,935)	(4,229,965)	(1,295,737)	(953,297)	(711,457)
Including: Share of (losses) profit					
associates and joint ventures	(1,129,198)	564,987	(380,154)	(504,647)	(532,139)
Losses from derecognition of financial assets measured at amortised cost	(5,911,105)	(5,563,839)	(1,808,684)	(878,391)	(738,859)
Losses on fair value changes	(462,611)	(643,564)	(1,466,842)	(278,239)	(193,134)
Impairment losses on assets	(3,050,914)	(3,461,187)	(3,038,039)	(558,173)	(756,672)
Impairment of credit losses	(4,887,824)	(6,480,044)	(6,058,228)	(1,703,619)	(1,649,073)
Gains on disposal of assets	76,037	671,460	285,074	167,206	49,040

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(restated)	(restated)	(RMB'000)	(Unaudited)	
Operating profit	37,401,584	38,593,709	32,283,227	17,699,101	15,119,180
Add: Non-operating income	1,183,193	980,751	949,842	483,766	602,415
Less: Non-operating expenses	760,315	746,308	758,360	321,831	368,141
Profit before tax	37,824,462	38,828,152	32,474,709	17,861,036	15,353,454
Less: Income tax expenses	6,030,172	6,499,423	5,396,332	2,902,778	2,791,503
Net profit	31,794,290	32,328,729	27,078,377	14,958,258	12,561,951
Classified by the continuity of operation					
Net profit from continuing operations	31,794,290	32,328,729	27,078,377	14,958,258	12,561,951
Net profit from discontinued operations	–	–	–	–	–
Classified by the ownership					
Net profit attributable to owners of the Company	26,680,796	26,096,971	22,215,074	11,902,158	10,701,474
Net profit attributable to non-controlling interests	5,113,494	6,231,758	4,863,303	3,056,100	1,860,477
Other comprehensive income/(expense), net of tax					
Other comprehensive income/(expense) attributable to owners of the Company, net of tax	412,141	363,575	(433,061)	(63,693)	(351,266)
Other comprehensive (expense)/income not to be reclassified to profit or loss					
Changes in fair value of other equity instrument investments	(209,526)	(41,838)	594,560	49,888	(80,448)
Others	(4,165)	(878)	895	–	–
Other comprehensive income/(expense) to be reclassified to profit or loss					
Shares of other comprehensive income/(expense) that will be reclassified subsequently into profit or loss by the investee under equity method	207,426	192,843	61,728	2,320	(86,353)
Changes in fair value of other debt investments	(11,684)	16,243	(6,237)	(7,651)	(894)
Exchange differences on translation of foreign operations	434,416	191,747	(1,079,884)	(104,731)	(184,738)
Changes in fair value of Receivables at FVTOCI	(4,326)	5,458	(4,123)	(3,519)	1,167
Other comprehensive income/(expense) attributable to non-controlling interests, net of tax	21,324	11,950	66,208	60,201	(22,529)
Total comprehensive income	32,227,755	32,704,254	26,711,524	14,954,766	12,188,156
Including:					
Total comprehensive income attributable to owners of the Company	27,092,937	26,460,546	21,782,013	11,838,465	10,350,208
Total comprehensive income attributable to non-controlling interests	5,134,818	6,243,708	4,929,511	3,116,301	1,837,948
Earnings per share:					
Basic earnings per share (RMB/share)	1.76	1.73	1.46	0.79	0.70
Diluted earnings per share (RMB/share)	1.76	1.73	1.46	0.79	0.70

* The figures for the year ended 31 December 2022 and 2023 in display are restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE COMPANY*

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	(restated)			(Unaudited)
	(RMB'000)			
ASSETS				
Current assets				
Cash and bank balances	158,424,810	166,957,837	185,703,115	180,479,468
Held-for-trading financial assets	961,298	1,629,785	1,533,116	1,555,819
Bills receivable	8,495,031	3,229,041	3,225,444	1,823,056
Receivables at FVTOCI	3,321,965	2,723,520	1,644,048	1,171,261
Trade receivables	141,229,619	155,809,067	204,759,238	242,072,540
Advances to suppliers	27,473,837	21,712,629	23,110,034	27,095,059
Other receivables	66,050,468	56,902,615	65,825,415	71,749,027
Inventories	299,818,526	307,642,792	286,116,358	292,975,339
Contract assets	254,463,518	291,782,104	304,749,626	360,411,209
Held-for-sale assets	58,873	–	–	–
Current portion of non-current assets	26,080,161	29,531,809	32,284,851	30,471,171
Other current assets	23,674,072	26,831,432	35,023,530	39,081,358
Total current assets	1,010,052,178	1,064,752,631	1,143,974,775	1,248,885,307
Non-current assets				
Loans and advances to customers	1,445,190	1,686,305	1,140,201	1,704,474
Long-term receivables	80,554,812	109,859,078	142,506,358	155,493,658
Long-term equity investments	127,985,238	149,278,357	153,984,400	153,546,444
Debt investments	9,076,297	6,016,176	3,881,575	4,745,173
Other debt investments	4,934,663	5,115,845	–	–
Other non-current financial assets	8,387,687	10,287,149	11,376,122	12,438,217
Other equity instrument investments	11,940,051	12,575,571	13,167,797	13,515,468
Investment properties	9,898,342	11,399,446	15,981,833	15,773,634
Fixed assets	66,085,799	73,269,486	73,028,467	70,906,226
Construction in progress	7,593,171	5,810,715	6,812,863	7,248,313
Right-of-use assets	5,154,357	7,140,700	7,504,478	7,242,870
Intangible assets	62,530,742	69,736,458	117,002,389	128,108,513
Development expenditure	45,761	15,472	49,027	54,383
Goodwill	163,518	55,617	49,762	49,762
Long-term prepayments	791,514	852,730	1,103,965	1,129,114
Deferred tax assets	9,103,023	11,211,912	12,152,500	12,721,340
Other non-current assets	108,171,238	123,955,930	159,126,010	173,072,873
Total non-current assets	513,861,403	598,266,947	718,867,747	757,750,462
TOTAL ASSETS	1,523,913,581	1,663,019,578	1,862,842,522	2,006,635,769

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	(restated)			
		(RMB'000)		(Unaudited)
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Short-term loans	51,367,562	81,839,758	150,142,693	211,770,913
Due to customers	3,168,603	1,356,691	2,051,298	1,257,698
Bills payable	89,607,342	53,461,242	41,316,625	35,835,298
Trade payables	425,568,938	491,567,214	512,813,640	538,708,353
Advances from customers	311,908	233,083	372,439	530,731
Contract liabilities	164,118,787	150,196,302	141,649,350	134,150,140
Employee benefits payable	13,906,737	16,117,433	16,048,846	13,758,494
Taxes payable	8,936,891	9,059,277	8,138,705	5,672,508
Other payables	100,528,887	106,058,137	120,304,020	131,503,806
Current portion of non-current liabilities	45,527,795	54,468,518	76,507,103	85,197,974
Other current liabilities	31,594,097	33,694,786	43,409,640	41,728,295
Total current liabilities	934,637,547	998,052,441	1,112,754,359	1,200,114,210
Non-current liabilities				
Long-term loans	133,415,428	165,621,478	235,062,620	282,475,882
Bonds payable	28,096,696	31,031,549	32,720,483	32,030,004
Lease liabilities	2,451,292	4,080,407	4,197,035	3,855,471
Long-term payables	34,800,914	41,263,172	49,835,673	51,749,121
Long-term employee benefits payable	80,318	65,376	53,619	52,101
Provisions	1,137,854	1,449,484	1,628,540	1,714,047
Deferred income	1,056,021	1,012,593	1,130,936	1,071,132
Deferred tax liabilities	1,624,833	2,008,603	1,979,263	2,085,251
Other non-current liabilities	692,626	1,314,702	883,172	899,488
Total non-current liabilities	203,355,982	247,847,364	327,491,341	375,932,497
Total liabilities	1,137,993,529	1,245,899,805	1,440,245,700	1,576,046,707
Shareholders' equity				
Share capital	13,579,542	13,579,542	13,579,542	13,579,542
Other equity instruments	59,959,677	59,463,430	64,167,509	71,962,361
Capital reserve	48,907,056	48,847,173	47,964,063	47,962,759
Other comprehensive income	(819,139)	(667,494)	(1,305,778)	(1,657,044)
Special reserve	—	—	—	—
Surplus reserve	6,789,771	6,789,771	6,789,771	6,789,771
Retained earnings	161,981,132	181,825,095	197,055,973	202,502,589
Total equity attributable to owners of the Company	290,398,039	309,837,517	328,251,080	341,139,978
Non-controlling interests	95,522,013	107,282,256	94,345,742	89,449,084
Total shareholders' equity	385,920,052	417,119,773	422,596,822	430,589,062
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,523,913,581	1,663,019,578	1,862,842,522	2,006,635,769

* The figures as at 31 December 2022 in display are restated.

* The figures as at 31 December 2022 in display are restated.

RECENT DEVELOPMENTS

On 30 October 2025, the Company published its 2025 third quarterly report (the “**2025 Q3 Report**”) which setting out the unaudited results of the Company for the three months ended 30 September 2025 (the “**Reporting Period**”). According to the 2025 Q3 Report, the Company recorded revenue of RMB728,403,247,000 for the nine months ended 30 September 2025, representing a decrease of 3.92% compared with the same period of the previous year. Net profit attributable to the shareholders of the Company amounted to RMB14,811,266,000 for the nine months ended 30 September 2025, representing a decrease of 5.63% compared with the same period of the previous year. The aforementioned slight period-on-period decline was primarily due to multiple factors, including the slowdown in traditional infrastructure investment growth, intensified market competition, and elevated local government debt pressures, which have placed the construction industry in an overall adjustment phase.

From the beginning of 2025 to the end of the Reporting Period, the total value of newly-signed contracts of the Group amounted to RMB1,518.7650 billion, accounting for 49.63% of the value as set in the annual plan and representing a period-on-period increase of 3.08%, among which, the value of the newly-signed contracts for domestic business amounted to RMB1,313.9441 billion, accounting for 86.51% of the total value of newly-signed contracts and representing a period-on-period decrease of 3.96%, while the value of the newly-signed contracts for overseas business amounted to RMB204.8209 billion, accounting for 13.49% of the total value of newly-signed contracts and representing a period-on-period increase of 94.52%. From the beginning of 2025 to the end of the Reporting Period, newly-signed contracts for infrastructure construction projects in industries including construction contracting industry and environmental protection industry amounted to RMB1,253.7590 billion, accounting for 82.55% of the total value of newly-signed contracts and representing a period-on-period increase of 1.21%.

DEFINITIONS

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings.

“14th Five-year Plan”	the Fourteenth Five-year Plan Guidance for National Economic and Social Development of the PRC
“Board of Directors” or “Board” .	board of directors of the Company
“CCECC”	China Civil Engineering Construction Corporation, a wholly-owned subsidiary of the Company
“Company” or “Guarantor”	China Railway Construction Corporation Limited
“Controlling Shareholder”	China Railway Construction Corporation, the controlling shareholder of the Company
“CRC”	China Railway Corporation
“Director(s)”	director(s) of the Company
“EIT Law”	the Enterprise Income Tax Law of the PRC as amended on 29 December 2018
“ENR”	Engineering News Record
“Group”	the Company and its subsidiaries and where the context requires, its predecessor(s)
“Holder”	a holder of the Notes
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
“IIT Law”	the Individual Income Tax Law of the PRC as amended on 31 August 2018 (came into effect on 1 January 2019)
“MOF”	Ministry of Finance of the PRC

“MOR”	the former Ministry of Railways of the PRC. In the first meeting of the 12th National People’s Congress of the PRC held on 14 March 2013, the “Plan on Institutional Reform and Transformation of Government Functions of State Council Organs” was discussed and approved. The administrative functions and the commercial functions of the former Ministry of Railways of the PRC were separated. The administrative functions of the former Ministry of Railways of the PRC were incorporated into the MOT by forming a new State Railway Administration. Meanwhile, China Railway Corporation (“CRC”) was established to take up the commercial functions of the former Ministry of Railways of the PRC, which no longer exists
“MOT”	Ministry of Transport of the PRC
“PBOC”	People’s Bank of China
“PRC GAAP”	Accounting Standards for Business Enterprises and other relevant provisions issued and revised from time to time by the Ministry of Finance of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“SAT”	State Administration of Taxation of the PRC
“Shanghai Stock Exchange”	The Shanghai Stock Exchange
“sq.m.”	square metre(s)
“State Council”	State Council of the PRC

GLOSSARY OF TECHNICAL TERMS

“BOO”	“Build-Own-Operate” mode
“BOT”	“Build-Operate-Transfer” mode
“engineering method”	an integrated construction method with application of systematic construction principles to combine advanced technology and scientific management, under which certain engineering practices will be applied to the construction in line with technology
“EPC”	Engineering, procurement and construction
“PPP”	“Public-Private-Partnership” mode
“TBM”	Tunnel Boring Machine
“TOD”	“Transit-Oriented-Development” mode
“turnout”	a component applied in railway tracks that is used for changing the route of a train where a single track splits into two tracks Turnout is applied in railway tracks

RISK FACTORS

Prospective purchasers of the Notes should carefully consider the risk factors set forth below, as well as the other information contained elsewhere in this Offering Circular. The risks described below are not the only ones that may affect the Issuer, the Guarantor, the Group or the Notes. Additional risks and uncertainties which the Issuer or the Guarantor is not aware of or that the Issuer or the Guarantor currently believes are immaterial may also adversely affect the Group's financial condition or results of operations. If any of the possible events described below occur, the Group's financial condition or results of operations could be materially and adversely affected. In such case, the Issuer or the Guarantor may not be able to satisfy their respective obligations under the Notes, and all or part of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors.

Risks Relating to the Group's Business

The Group generates a significant part of its revenue from a few customers. As a result, the Group is exposed to significant credit risks and has limited ability to obtain favourable prices for its services and products relating to infrastructure construction projects.

Although the Group seized the opportunities to diversify its business to develop its market in railway, highway, housing construction, municipal engineering, urban rail transit and realised a more balanced and stable development, the Group generated substantial amount of revenue from the railway companies under China State Railway Group Co., Ltd, and they were among the top five customers of the Group for each year ended 31 December 2022, 2023 and 2024. Any deterioration of the business as well as the financial position of China State Railway Group Co., Ltd, such as decreased investment in infrastructure projects and railway project bids, decreased funding for new railway projects or a delay or suspension of existing projects, delay in payments due to the Group, an increase in trade receivable turnover days and decrease in the cash position of the Group, will have an adverse impact on the Group's business prospects and financial performance.

In addition, the Group's ability to negotiate a favorable prices for its services and products provided in relation to railway construction and other infrastructure projects is very limited, as due to the market condition the Group can only deals with a very limited number of customers and the public construction projects are typically awarded through a public tender process in which aggressive prices are offered among bidders to attempt to win the tender.

The Group receives payments in relation to construction projects in stages, and any delay or default in payments from its customers may affect the Group's working capital and cash flow.

Most of the Group's construction projects usually take years to complete and therefore, contracts with respect to the construction operations of the Group generally require its customers to make payments in stages upon the Group achieving project milestones as agreed between the parties. However, the Group incurs costs associated with a project, primarily materials, equipment and labour costs, on an on-going basis, at the beginning of the project or before achieving the relevant project milestones. In the event that the customers do not make payments to the Group pursuant to the payment terms in the relevant contracts, the Group may bear the risk of not being able to recover the relevant costs and expenditures incurred by it.

In most cases, for the warranty of a project, either the Group secures a letter of credit issued by a licensed commercial bank or a portion of the contract value is withheld by its customer as retention money to be paid or released after the warranty period.

Events such as late payment settlement resulting from changes in the government's estimates or delayed progress payments or the inability to receive payment as scheduled may result in a large amount of bills

and accounts receivables and may impact the Group's cash flow, particularly, as it has to expend resources in advance of payment. As at 31 December 2022, 2023 and 2024, the Group's bills and trade receivables were RMB149.7 billion, RMB159.0 billion and RMB 208.0 billion, respectively. The trade receivables turnover days (calculated by dividing the Group's average balance of trade receivables by revenue, and then multiplied by 365) were 54 days in 2022, 53 days in 2023 and 68 days in 2024. As at 30 June 2025, the Group's bills and trade receivables amounted to RMB243.9 billion.

Moreover, defaults in making payments to the Group on projects for which it has already incurred significant costs and expenditures can materially and adversely affect the Group's results of operations and reduce its financial resources that would otherwise be available to fund other projects. In general, the Group makes provisions for bad debts, including those relating to payments from customers on on-going or completed projects, based primarily on the period of delay of payment and other factors affecting the perceived likelihood of receivables collection. There is no assurance that the Group's customers will make payment in full on a timely basis or that the Group will be able to efficiently manage the level of bad debt arising from receipt of payments in stages, the failure of which could have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to generate positive net cash flow from operating activities and failure to obtain sufficient funding may materially and adversely affect the Group's business, financial condition, results of operations, growth prospects and expansion plans.

A significant portion of the Group's business, including its construction operations, manufacturing operations and real estate development operations, is capital intensive. The Group requires significant capital to fund its construction and manufacturing activities, to build, maintain and operate its production and operation facilities and to purchase necessary production equipment. The Group also requires significant capital in relation to its real estate development operations where it usually invests in land and undertakes the construction of property sites before the relevant projects can start generating any revenue. In addition, pursuant to some of the Group's construction contracts, the Group is required to pay costs and expenditures relating to projects prior to receiving sufficient payment from its customers to cover such costs and expenditures. As the Group continues to expand its operations, any delay in the settlement of receivables may lead to a negative operating cash flow. The Group recorded net cash flow used in operating activities for the six months ended 30 June 2025 of RMB79,457.3 million, there can be no guarantee that the Group will not experience negative operating cash flows in the future as a result of its continuing expansion. If the Group were to record negative operating cash flows in the future, its working capital may be constrained which may materially and adversely affect its business, financial condition, results of operations and growth prospects.

In addition, a significant amount of funding is also required for the further growth of the Group's operating scale, and the expansion into new business areas and geographic markets may call for increased capital expenditures, further increasing its funding requirements. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group's capital expenditures for the construction of contracting projects, purchase of equipment, expansion and technology upgrade of facilities, and construction of investment projects such as PPP or BOT projects (representing the increase in other non-current assets other than long-term equity investments) amounted to RMB30.3 billion, RMB42.1 billion, RMB49.1 billion and RMB19.7 billion, respectively.

The following table sets forth the breakdown of the Group's capital expenditure by segment for the years/periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	(RMB'000)			(Unaudited)	
Construction operations	18,731,241	27,038,439	31,681,531	10,872,627	11,214,589
Planning, design and consultancy operations	219,571	789,407	619,824	89,323	188,361
Manufacturing operations	1,621,993	3,645,677	861,056	726,556	290,958
Real estate development operations	1,237,873	2,569,184	1,529,241	503,469	250,519
Other business	8,449,616	8,068,428	14,407,931	6,482,427	7,706,487
Total	30,260,294	42,111,135	49,099,583	18,674,402	19,650,914

To the extent that the Group's funding requirements exceed its financial resources, the Group will be required to seek additional debt or equity financing or to defer planned expenditures. The Group has historically financed its working capital requirements and capital expenditures through a combination of internal cash flow from its operations and external financing, including bank and other borrowings, as well as equity injection from its shareholders. The Group's ability to obtain external financing in the future and the cost of such financing are subject to a variety of uncertainties, including:

- the condition of financial markets in particular, the credit market;
- potential changes in monetary policies with respect to bank interest rates and lending policy;
- the Group's ability to obtain the PRC Government approvals required to access domestic or international financing; and
- the performance of each business sector of the Group.

Given the high level of the Group's financial leverage over the years, any adverse change in the Group's cash flows from operating activities may weaken its financial condition and adversely affect its ability to repay its borrowings on a timely basis, obtain external financing or credit on time or on terms acceptable to the Group. If the Group is unable to obtain financing on a timely basis or at a reasonable cost, the Group may not be able to undertake new projects or expand into new business areas and geographic markets, and its business, financial condition and results of operations could be materially and adversely affected.

If the Group is unable to accurately estimate or control its costs or the scope of work the Group is required to perform, the Group's profitability could be adversely affected.

Substantially all of the Group's contracts relating to its construction operations, planning, design and consultancy operations and manufacturing operations require the Group to complete a project for a pre-agreed fixed price or price per unit. The Group is typically responsible for all of its own costs, and its ability to make a profit on any project or product is largely dependent on the Group's ability to effectively control these costs. The amount of total costs the Group incurs on a project is influenced by a variety of factors, including climatic conditions, variations in labour and equipment productivity and costs over the term of a contract, changes in project scope or conditions, fluctuations in the price of raw materials and components and inability or delay in obtaining the requisite permits and approvals, many of which are beyond the Group's control. The Group may not be able to effectively manage its costs, and any unexpected increase in costs may lead to lower than expected profits, or even losses, which could materially and adversely affect the Group's business, financial condition and results of operations.

Some of the Group's construction contracts contain price adjustment clauses, which allow it to reclaim additional costs incurred as a result of unexpected increases in raw material costs. However, the Group is typically required to bear a portion of the increased cost. From time to time, the Group may be required to perform extra or "change order" work under its contracts despite the absence of prior agreements with its customers on the scope or price of the work to be performed. See "*Risks Relating to the Industries in which the Group Operates*". The Group is exposed to risks in connection with contracting with public bodies. This process may result in disputes over whether the work performed is beyond the scope of the work included in the original project and specifications, or over the price the customer is willing to pay for the extra work. Even when the customer agrees to pay for the extra work, the Group may be required to fund the cost of such work for a lengthy period of time until the change order is approved and funded by the customer. In addition, any delay caused by the extra work may impact the progress of the projects and the Group's ability to meet specific contract milestones or deadlines. The Group may also incur extra costs due to unapproved construction change orders or contract disputes. There is no assurance that the Group will be able to recover the extra costs in full or at all, which may lead to business disputes, or may otherwise adversely affect its business, financial condition, results of operations and prospects.

The Group may be unable to continue to procure an adequate supply of raw materials and energy supplies at acceptable prices and quality in a timely manner.

Successful operations of the Group depend on its ability to obtain from its suppliers sufficient quantities of raw materials, energy supplies and other commodities at acceptable prices and quality in a timely manner. The Group is exposed to the market risk of fluctuations in certain commodity prices for raw materials such as steel, cement, explosives, admixture, track materials, waterproofing materials, and other construction materials utilised in its infrastructure construction operations as well as for steel and electronic parts utilised in its machinery and equipment manufacturing operations. The price and availability of such raw materials may vary significantly from year to year due to factors such as China's import restrictions, consumer demand, producer capacity, market conditions and costs of materials. In particular, steel and cement, which are critical to the Group's operations, are subject to substantial pricing cyclicality and periodic shortages in China. The Group is also affected by increases in energy prices, including electricity and fuel prices, for the operation of its machinery and equipment.

There is no assurance that the Group will be able to continue to obtain sufficient raw materials from its existing suppliers or from alternative sources at prevailing or acceptable prices, in a timely manner, or at all. There is no assurance that the Group will not encounter difficulties in obtaining quality materials or shortages of raw materials, or that the Group will be able to absorb any increase in raw material prices or pass them on to its customers.

The inherent hazardous nature of the Group's business exposes the Group to potential liabilities, which could harm its reputation and cause it to incur substantial costs.

Due to the nature of the Group's business, it engages or may engage in certain inherently hazardous activities, including operations at high altitudes or in harsh geological conditions, tunnel construction, underground excavations, use of heavy machinery and working with flammable and explosive materials. Despite the Group's commitment to comply with the requisite safety requirements and standards, the Group is subject to risks surrounding these activities, such as geological catastrophes, toxic gas, equipment failure, industrial and railway accidents, fire, explosion and failure of employees and service contractors to follow proper safety procedures. These hazards can cause personal injury and loss of life, damage to or destruction of property and equipment, and environmental damage and pollution, any of which could result in damage to the Group's business reputation and corporate image, suspension of the Group's operations and the imposition of civil or criminal penalties.

There may be circumstances where the Group is not fully covered by insurance policies for environmental liability, third-party liability, business interruption or loss of profit arising from disruptions of its operations.

Many of the Group's contracts provide for various deadlines. If the Group fails to meet these deadlines on a project, it may be responsible for the payment of liquidated damages. It may also face liabilities

associated with the subsequent use by its customers or third parties of facilities or products it has constructed after the completion of its projects. The Group normally seeks to limit exposure to such claims through contractual limitations of liability, indemnities from its customers, subcontractors and suppliers, and insurance as part of its risk management strategy. However, such measures may not offer sufficient protection and may be limited by various factors outside the Group's control, including:

- in some of the jurisdictions in which the Group operates, including China, environmental and workers' compensation liabilities may be assigned to the Group as a matter of law and may not be limited through contracts;
- customers and subcontractors may not have adequate financial resources to satisfy their indemnity obligations to the Group;
- losses may arise from risks not addressed in the indemnity agreements; and
- insurance coverage of the Group may not be sufficient because it may not be possible to obtain adequate insurance against some risks on commercially reasonable terms, or at all.

Insurance policies, in particular, have become increasingly expensive and sometimes very difficult to obtain. Moreover, there may be circumstances where the Group is not fully covered by insurance policies for environmental liability, third-party liability, business interruption or loss of profit arising from disruptions of its operations such as accidents at its construction sites or facilities, demonstrations and protests by its workers or third parties. Failure to effectively cover the Group against these risks for any of the above reasons could expose the Group to substantial costs and potentially lead to significant losses. Additionally, the occurrence of any of these risks could damage its reputation and relationship with regulators and other customers, which may materially hinder the Group's chance to win tenders for new projects.

The Group's corporate structure, which consists of a large number of companies in multiple business sectors, exposes it to challenges to integrate and manage its business.

The Group consists of portfolio companies operating in multiple industries and has grown rapidly in its business scale and geographical coverage in recent years. Due to the diverse characteristics of the Group's portfolio companies, the Group is exposed to business, market and regulatory risks relating to different industries. It needs to devote substantial resources to monitor changes in different operating environments so that it can react with appropriate strategies that fit the needs of the portfolio companies affected. As the Group continues to grow through acquisitions of businesses in an increasing number of industries across various jurisdictions, its operations will become more widespread and complex and project management may become more difficult, which could in turn result in management risks. Successful operation of the Group requires an effective management and internal control system that emphasises proper authorisations, reliability and accountability of financial reporting, imposes financial and internal control disciplines on portfolio companies, and creates value-focused incentives for management.

In particular, it will become increasingly difficult for the Group to direct and monitor the day-to-day operations of its businesses and to prevent or detect any fraud and protect the Group's assets, both physical and intangible, and the Company may not be able to fully control the actions of its non-wholly-owned subsidiaries and affiliates, which could materially adversely affect the Group's business and financial condition.

The Group's backlog may not be indicative of its future results of operations.

The contract backlog figures as contained in this Offering Circular only represent the Group's estimate of the total contract value of work that remained to be completed pursuant to the terms of outstanding

contracts as at a certain date. Backlog is not a measure defined by generally accepted accounting principles and backlog may not be indicative of future operating results. See “*Description of the Group — Backlog*”. As at 31 December 2024, the aggregate contract backlog for the Group was approximately RMB4,282.1 billion. However, this figure is based on the assumption that the relevant contracts will be performed in full in accordance with their terms. Many of the Group’s contracts do not provide for a fixed amount of work to be performed and are subject to modification or termination by the customer. The termination or modification of any one or more sizeable contracts may have a substantial and immediate effect on the Group’s backlog. Projects may also remain in the Group’s backlog for an extended period of time. There is no guarantee that the amount estimated in the Group’s backlog will be realised in a timely fashion, or at all, or that, even if it is realised, it will result in profits. As a result, investors are warned against unduly relying on the Group’s backlog information presented in this Offering Circular as an indicator of the Group’s future earnings.

The Group employs third-party labour sub-contractors to provide additional manpower for its projects, which may expose the Group to reputation and litigation risks.

In the construction operations, the Group often engages third-party labour sub-contractors to provide additional manpower on large projects. Outsourcing a portion of its labour supplements the Group’s capacity, reduces the need to maintain a large workforce and increases flexibility in carrying out contracts. The Group maintains relationships with a number of qualified labour sub-contractors located across China. However, qualified labour sub-contractors may not always be readily available when the Group’s needs for additional labour arise. If the Group is unable to hire qualified labour sub-contractors or additional part-time labourers, the Group’s ability to take on additional projects or complete its current projects on time could be impaired. In addition, if the cost for sub-contractors rises, the Group’s profitability may be affected, particularly to the extent such increase causes its labour costs to exceed what the Group has estimated in fixed-price or fixed-unit-price type contracts with its customers. In addition, the Group may not be able to monitor the performance of sub-contracted labour as directly and efficiently as for its own staff. Outsourcing exposes the Group to risks associated with non-performance, delayed performance or sub-standard performance by subcontractors. As a result, the Group may experience deterioration in the quality or delivery of its relevant construction projects, incur additional costs due to the delays or at a higher price in sourcing the services, equipment or supplies in default, or be subject to liability under the relevant contract for its subcontractor’s performance. Such events could impact upon its profitability, financial performance and reputation, and result in litigation or damage claims.

The Group’s failure to adequately protect its intellectual property rights or any infringement claims brought by third parties against the Group may have an adverse effect on the Group’s business, financial condition and results of operations.

The Group relies on patents, trademarks, copyrights, construction methods and contractual rights to protect its intellectual property. As at 31 December 2024, the Group owned 40,638 valid patents and had earned above-provincial level recognition of 5,654 engineering methods in China. The Group markets its construction operations and manufacturing operations under the well-recognised brand name, CRCC, which it believes has been critical to its competitiveness and success. The Group has also developed numerous advanced systems, trade secrets, know-how, processes, technologies and other intellectual property that have enhanced its operational efficiency and enabled the Group to maintain its competitiveness. In addition, the legal regime governing intellectual property rights in China is still evolving and the level of protection of intellectual property rights in China may differ from those in other jurisdictions. In the event that the steps the Group has taken and the protection provided by law do not adequately safeguard its intellectual property rights, the Group could suffer losses due to the provision or the sale of competing services or products by others which exploit its intellectual property rights.

In addition, there can be no assurance that any of the Group’s intellectual property rights will not be challenged, misappropriated or circumvented by third parties, or that the Group’s competitors will not

independently develop alternative technologies that are equivalent or superior to the Group's proprietary technologies. The Group may also be subject to claims for infringement of patents, trademarks or other intellectual property rights of others. Defending or otherwise dealing with any infringement claim, whether with or without merit, could be time-consuming, result in costly litigation or damages, undermine the value of the Group's brands and trademarks, reduce sales and/or require the Group to enter into royalty or licencing agreements that may not be on commercially acceptable terms.

The Group's business may be adversely affected if it is unable to secure and retain qualified personnel for its operations.

The Group's operations depend upon its ability to attract and retain experienced and qualified personnel, including executive officers and key technical personnel, who have the necessary and required experience, knowledge and expertise. Competition for qualified personnel is intense in the PRC. The Group may lose these persons to those competitors who are able to offer more competitive packages. The Group may have to significantly increase its related staff costs to remain competitive.

It is expected that, in order to comply with applicable construction regulations and to complete the construction projects on time and within budget, the Group will have to continue to train its employees and require additional qualified professionals. Demand for employees who have industry-related experience and expertise will increase as customers of the Group increase their capital expenditure and the use of the Group's services. The Group's future operating results will be dependent on its management's ability to maintain effective control over a large and diversified enterprise. To the extent the Group is unable to recruit personnel with the necessary skills locally, the attention of its management could be diverted. If the Group cannot recruit, train and retain the qualified personnel necessary to execute its contracts or to perform necessary corporate activities, its business operations may be adversely affected. In addition, failure to attract and retain personnel with technical or marketing expertise may result in the Group's non-compliance with applicable construction regulations and the inability to prevent misappropriation of its technology or maintain its client contacts.

The Group may face unexpected difficulties in expanding into new industries and markets.

To improve the Group's profitability and diversify potential risks, the Group has been growing its operations in industries and markets with potential for deriving favourable returns, including real estate development and other municipal works, both in the PRC and abroad. Expansion in these industries and markets carries with it many associated risks, including risks related to lack of operating experience in such industries and markets and lack of experienced management and employees to staff such expansion. Expansion may also place excessive pressure on the Group's financial, human and management resources that are otherwise available for the Group's current businesses. In addition, there might be many established incumbent players in these new markets who already enjoy significant market shares and competitive market positions, and it may be difficult for the Group to win market share from them. Some of the overseas markets that the Group is targeting may have high barriers of entry to foreign players. There can be no assurance that the Group's expansion plans will be successful.

The Group has grown rapidly in terms of its business scale and geographical coverage in recent years. As the Group continues to grow through acquisitions of businesses in an increasing number of industries across various jurisdictions, its operations will become more widespread and complex and project management may become more difficult, which could in turn result in management risks. For instance, such rapid expansion also creates challenges and increases the difficulty of implementing the Group's management and internal control system. In particular, it will become increasingly difficult for the Group to direct and monitor the day-to-day operations of its businesses and to prevent and detect fraud and protect the Group's assets, both physical and intangible. Moreover, the Company may not be able to fully control the actions of its non wholly-owned subsidiaries and affiliates. Any of these may materially and adversely affect the Group's business, results of operations and financial condition.

The Group's business, financial condition and results of operations may be affected by adverse weather conditions, natural disasters, pandemics, acts of war and terrorist attacks.

Adverse weather conditions, such as extreme cold weather, snow, typhoons, floods and heavy or sustained rainfall and natural disasters such as earthquakes, landslides or mudslides, may prevent the Group from conducting its construction activities or otherwise affect its productivity, preventing the Group from completing its construction projects on schedule, delaying its receipt of payment and possibly causing the Group to incur increased operating expenses. Climatic conditions that are unusually severe or intense and occur at abnormal times or last longer than usual could therefore have a material adverse effect on the Group's business, financial condition and results of operations. Typically the Group's construction contracts allow the Group to claim for compensation of losses suffered as a result of adverse weather conditions or natural disasters. However, the Group does not normally receive full compensation and will bear some portion of the losses. Moreover, natural disasters and other acts of God which are beyond the control of the Group may adversely affect the economy, infrastructure and communities in the countries and regions in which it has operations.

Other events that are outside of our control, including public health crises, pandemics and power outages, have in the past and could in the future disrupt our operations and adversely affect our business. Any of these events could result in complete or partial closure of one or more of our facilities and our construction sites and temporary or long-term disruption of our operations or the operations of our suppliers by causing business interruptions or by impacting the availability and cost of materials needed for construction or otherwise impacting our ability to deliver projects and services to our customers. Existing insurance arrangements may not provide full protection for the costs that may arise from such events. The occurrence of any of these events could materially increase our costs and expenses and have a material adverse effect on our business, financial condition, results of operations and prospects.

Acts of war and terrorist attacks, including those in foreign countries in which the Group has overseas operations, may cause damage or disruption to the Group, its employees, subcontractors, operations, equipment and facilities, as well as to its markets, any of which could impact its public image, turnover and cost of sales. The potential for war or terrorist attacks may also create uncertainty and cause its business to suffer in ways that the Group cannot currently predict. Any of these will have a material and adverse effect on the Group's business, results of operations and financial condition.

The Group faces litigation risks in the course of its business.

In the ordinary course of the Group's business, claims from project owners, customers, labour subcontractors, joint venture partners and other parties may be brought against the Group or by the Group in connection with its contracts from time to time. Claims may be brought against the Group for alleged defective or incomplete work, liabilities for defective products, related personal injuries and death, damage to or destruction of property, breaches of warranty and late completion of the project. The claims can involve actual damages and liquidated damages. If the Group was found to be liable, the Group would have to incur a charge against earnings to the extent a reserve had not been established for the matter in its accounts, or to the extent the claims were not sufficiently covered by its insurance. Claims brought by the Group against project owners may include claims for additional costs incurred in excess of current contract provisions arising out of project delays and changes in the initial scope of work. Claims between the Group and its labour sub-contractors and vendors may include claims similar to those described above.

Both claims brought against the Group and by the Group, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings which could also be disruptive to the Group's normal business operations. The results of these legal proceedings are often difficult to predict and the amounts ultimately realised from project claims by the Group could differ from the balances included in the Group's financial statements. Moreover, legal proceedings resulting in

judgments or findings against the Group may harm its reputation, cause economic losses and damage its prospects for future contract awards. Such claims could therefore have a material and adverse impact on the Group's financial condition, results of operations and cash flow. See "*Description of the Group — Legal Proceedings*".

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties.

The Group may be exposed to fraud or other misconduct, including violations of anti-corruption laws, committed by its employees, representatives, agents, customers or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, which will in turn affect its reputation. These misconducts could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- engaging in improper or illegal activities such as offering bribes to, and receiving bribes from, counterparties in return for any type of benefits or gains;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all, and from time to time certain of the Group's jointly controlled entities, employees, representatives, agents, customers and other third parties involved in or associated with its projects have engaged in instances of such misconduct which have resulted in proceedings against them ranging from internal disciplinary measures to payments of fines and criminal prosecutions. In addition, increased recent anti-bribery law enforcement activity in various jurisdictions, including China, may lead to further such proceedings against them. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective in all cases. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity and damage to the public image of the Group.

The Group's offshore operations are subject to economic and political uncertainties in overseas markets.

The Group has been expanding its operations in overseas countries and regions, including less developed areas. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025,

approximately 4.9 per cent., 5.3 per cent., 6.2 per cent. and 7.6 per cent. respectively, of the Group's revenue was generated from its overseas operations. The Group's business is therefore subject to changing international economic and political conditions, and local conditions, including Central Asia, Middle East, Latin America and Africa where political and economic conditions are often subject to instability. As at 30 June 2025, the Group had operations in 150 foreign countries and regions as well as Hong Kong, Macau and other regions. The Group expects that a significant amount of its revenue and profits will continue to be derived from its overseas projects in the foreseeable future. As a result of its overseas operations, the Group is exposed to various risks associated with conducting business in foreign countries and regions that include, among other factors:

- political risks, including risks of loss due to civil unrest, acts of terrorism, acts of war, other armed conflict, regional and global political or military tensions and strained or altered foreign relations;
- abrupt changes in foreign government regulations or policies;
- expropriation and nationalisation of its assets in foreign countries;
- natural disasters;
- inflation;
- currency value fluctuations and conversion restrictions;
- tax increases, confiscatory taxation or other adverse tax policies;
- governmental activities that limit or disrupt markets, restrict payments or limit the movement of funds;
- governmental activities that may result in the deprivation of contract rights;
- governmental activities that may result in the inability to obtain or retain licences required for operations;
- competition from other international large-scale construction companies;
- adverse labour conditions;
- negative media and investor attention to the Group;
- cyclical nature and demand of international construction markets;
- social and community relationships; and
- lack of a well-developed or independent legal system in the foreign countries in which the Group has overseas operations, which may create difficulties in the enforcement of contractual rights.

As the Group's overseas operations are susceptible to changes in the overseas countries' respective local economic, political and regulatory environments as well as changes in global economy, a variety of factors, many of which are beyond the control of the Group, could significantly affect the profitability and growth of these operations. The Group may be required to deploy management resources and personnel to high-risk areas where its overseas projects are located. As such, the Group may incur substantial costs to implement safety and security measures to protect its personnel and assets. Such measures may not always be adequate. The Group's level of exposure to certain risks varies with respect

to each project, and is dependent on the particular work stage of each project. Any of the above factors could lead to, amongst others, project disruptions, losses of personnel and assets and other indirect losses, which could harm its international business operations, overall financial condition and profitability. In addition, any severe or prolonged slowdown of the global economy could result in reduced infrastructure development which could in turn affect the Group's overseas operations. Concerns over inflation, geopolitical issues, the availability and cost of credit, volatile oil price, the rise in anti-globalisation sentiment and the ambiguity of the policies of the United States administration have contributed to increased volatility for the global economy and the markets. The uncertainty of the interest rates in the United States have impacted global equity markets and commodity prices. Further, the prolonged trade dispute between the United States and China may continue to weaken the global economy, raise prices for businesses and consumers, delay corporate investments and slow economic growth around the globe. There have been heightened tensions in international relations, particularly between the United States and China. These tensions have affected both diplomatic and economic ties among countries, and could reduce levels of trade and other economic activities between major economies. The impact of recent geopolitical conflicts on our projects and current prospects has been minimal. However, there is no assurance that any escalation of geopolitical tension in the future will not create instability in macroeconomic and social conditions, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In the event of a significant geopolitical conflict or a macroeconomic downturn, our ability to obtain new project may be damaged, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, the Group may be subject to sanctions imposed by certain countries against transactions with other countries in which the Group conducts business, which may limit its ability to conduct such overseas operations or obtain funding. For example, the Group had entered into contracts to provide construction services in countries such as Russia. The transactions with entities in countries such as Russia does not constitute material transactions of the Group, and any suspension or termination thereof would not be expected to impose any material impact on the business or prospects of the Group. The Group confirms that it will not, directly or indirectly, use the proceeds of this Offering, or lend, contribute or otherwise make available such proceeds to any affiliates, subsidiaries or other person or entity, for the purpose of financing the activities of any person, entity or country currently subject to any Sanctions Laws. Nevertheless, any activities in the sanction countries may attract negative attention from the public or from the market, thus may have an adverse impact on the investment in the Notes. If any restrictions were imposed on or as a result of the Group's activities in these sanction countries, the ability for the Group to raise funds may be adversely affected and the Group may be required to incur additional costs and resources to manage and mitigate the negative impact caused thereby.

The Company cannot predict the interpretation or implementation of the government policies or sanctions law at the United States federal, state or local levels or any policy or sanctions law by any applicable jurisdiction with respect to any current or future activities of the Group in jurisdictions or with persons or entities that are the subject of sanctions. If the Group's existing business operations are determined by a government or regulatory authority to have violated any sanctions, it may be subject to investigations, legal proceedings, fines and penalties, which may divert management's attention and resources from the business of the Group, and could have a material adverse effect on the Group's business, results of operations and financial condition.

Government control of currency conversion and exchange rate fluctuation may adversely affect our operations and financial results.

Most of the Group's operations are located in the PRC, and most of the Group's income and costs are denominated in Renminbi, which is the Group's functional currency. However, the Group conducts part of the construction operations and planning, design and consultancy operations overseas and export some of the Group's products from the manufacturing operations. The Group is therefore subject to risks

associated with foreign currency fluctuations and changes in the value of foreign currencies could affect the Group's results of operations. Since 2021, there has been continuous depreciation and increased volatility in the value of the Renminbi and there can be no assurances on its impact to the Group's exposure to foreign currency exchanges. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group recorded a net foreign currency exchange gain of RMB303.2 million, RMB837.1 million, RMB392.1 million and RMB855.2 million, respectively. Changes in the value of foreign currencies could increase the Group's Renminbi costs for, or reduce the Group's Renminbi turnover from, its foreign operations, or affect the prices of its exported products and the prices of its imported equipment and materials, any of which could materially and adversely affect the Group's results of operations.

The value of the Renminbi is subject to changes of the PRC's governmental policies and international economic and political developments. Since 21 July 2005, the Renminbi is no longer pegged solely to the U.S. dollar. Instead, a managed floating exchange system has been introduced by the PRC Government which allows the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that such exchange rate will remain stable against the U.S. dollar or other foreign currencies in the market. Any appreciation of the Renminbi against any of these currencies may lead to an increase in the Group's costs or a decline in the Group's turnover. Fluctuations in exchange rates may adversely affect the value, when converted into U.S. dollars or Hong Kong dollars (which are pegged to U.S. dollars), of the Group's net assets and earnings.

Some of the Group's operations are less profitable, and the Group may not be able to continue developing new operations that generate higher levels of profit in the future.

Some of the Group's infrastructure construction projects, such as some of the conventional construction projects and public infrastructure projects, are less profitable than the Group's other businesses. The Group is often affected by government policies when it undertakes major public infrastructure construction projects. As public spending on such projects may be restricted due to governmental policies on public spending, profits generated from these projects may be limited. In addition, the Group may from time to time undertake various landmark projects involving high costs, high precision requirements, tight construction schedules and substantial capital investments, as well as the need to acquire new, expensive machinery and equipment, which collectively lead to increased costs and funding requirements. The undertaking of low-profit projects may expose the Group to short-term losses and could adversely affect its profit-generating abilities. In addition, the increased use of subcontractors is likely to further erode the Group's profitability. The Group's efforts to oversee cost management, make improvements to its technology and develop new operations to increase its profitability may not be successful.

Furthermore, the Group may not be able to continue developing new projects with high profit margins. For example, the Group plans to capture the opportunities created by favourable market conditions to continue to expand its operations in real estate development, with an emphasis on residential real estate development. The PRC Government has in recent years taken various measures to regulate the property market, please see “— *Risks Relating to the Industries in which the Group Operates — The Group's business is affected by the level of growth in the national and regional economies in the PRC, and the general level of activities and growth in the industries in which the Group operates*”. The Group intends to further expand its land reserves in China's coastal and affluent areas and scale of operations by increasing the capital expenditure in its real estate development business, forming strategic alliances and carefully selecting projects with promising prospects to benefit from synergies and economies of scale and secure stable sources of income. It plans to focus on developing real estate projects in large cities and municipalities with high economic growth potential, in the Pearl River Delta, the Yangtze River Delta and the Bohai Rim Economic Circle. See “*Business — Principal Products and Services — Real Estate Development*” for details of the Group's real estate development operations. However, there is no assurance that the Group's strategic plan will be successful.

The development and utilisation of new technology may not always produce positive results.

The Group is often engaged to undertake large, complicated projects that require it to design and develop new technologies and construction methods because of its strong research, design and development capabilities. There can be no guarantee that the Group would always successfully develop these new technologies and construction methods after substantial resources have been invested by the Group. The use of new technologies and construction methods could also result in experimental failures, increased costs, unstable conditions, affecting the profitability of some of its projects, which could materially and adversely affect the business and results of operations of the Group.

The Group's infrastructure investment and operation projects may expose the Group to additional risks.

The Group is involved in and plans to continue exploring opportunities in projects involving ownership and operation of the infrastructure in both domestic and international markets, which mainly include construction projects by way of BOT, BOO and PPP. The nature of infrastructure investment and operation projects may require the Group to fund the project upfront and make payments to suppliers and subcontractors. In undertaking infrastructure investment and operation projects, the Group may be exposed to payment delays or default of payment. The risks in connection with undertaking infrastructure investment and operation projects include the risk of an inaccurate forecast concerning cash inflows to be derived from the completed projects and the risks arising during the operational phase of such projects. Investment by the private sector in these projects is dependent on government policies and laws and regulations relating to public and private participation and the sharing of risks and returns of such projects. Undertaking infrastructure investment and operation projects also requires significant outlay of the Group's working capital over extended periods. Moreover, the introduction of infrastructure investment and operation projects in China's infrastructure construction industry is relatively recent, and the Group has limited management experience in carrying out and managing the risks involved in such projects. There is no assurance that the Group will be able to successfully and profitably carry out infrastructure investment and operation projects. Any inability to execute or handle such projects may adversely affect the Group's business and results of operations.

The Group's business and financial results may be adversely affected by increases in interest rates and the level of its indebtedness may limit its financing capabilities.

The PBOC has in the past implemented interest rate increases in the PRC. Any increase in the interest rates may adversely affect the Group's business and financial results. The PBOC has adjusted and lowered the benchmark interest lending rate in 2024 and 2025, however, there is no assurance that PBOC will not in the future raise the benchmark lending rate or otherwise discourage bank lending or that the Group's business, results of operations and financial position will not be materially and adversely affected as a result.

The Group is subject to a high degree of financial leverage. As at 30 June 2025, the Group had total borrowings (represented by short-term loans, current portion of long-term loans and bonds payable, long-term loans and bonds payable) of RMB600,527.6 million, representing debt-to-asset ratio (calculated by dividing the Group's total borrowings by consolidated total assets) of 29.9 per cent. The lending interest rates of commercial banks are set based on the PBOC benchmark lending rate and further increases in the PBOC benchmark lending rate may lead to higher lending interest rates. Due to the size of the Group's borrowings, its results of operations will be materially affected by the effective interest rate of these borrowings. In addition, interest rates have a direct effect on the demand for real estate, and thus on the real estate development industry. A rise in interest rates could adversely affect the affordability and attractiveness of mortgage financing to potential purchasers of the Group's properties. As a result, the demand for the Group's real estate development projects may be negatively affected. The Group's cost of borrowing would also increase as a result of interest rate increases, which would, in turn, adversely affect the Group's results of operations.

The Group's substantial indebtedness may affect its ability to secure funding for various projects, including current and future projects. The Group has relied upon both short-term and long-term borrowings to fund a portion of its capital expenditures and operations and the Group expects to continue to do so in the future. The Group may incur additional debt to fund its planned capital expenditures and future projects. The level of its indebtedness and the amount of its interest payments could limit its ability to obtain the financing required to fund future capital expenditure and working capital. A shortage of such funds could in turn impose limitations on the Group's ability to plan for, or react effectively to, changing market conditions or to expand through organic and acquisitive growth, thereby reducing its competitiveness.

Risks Relating to the Industries in which the Group Operates

The Group's business is largely dependent on the level of the PRC Government's spending on transportation and other infrastructure.

The Group's business largely depends on continuing spending by the relevant PRC Government agencies to build railways and other public transportation infrastructure, including roads, bridges and tunnels as well as other public projects. The PRC Government's spending on infrastructure has historically been, and will continue to be, cyclical in nature. Various factors affect the nature, scale, location and timing of the PRC Government's public investment plans in the transportation infrastructure sector of the PRC. These factors include the PRC Government's policy and priorities regarding different regional economies across China, the PRC Government's fiscal and monetary policies which affect the availability of credit and funding for projects, deregulation to encourage private sector participation in the transportation infrastructure sector and the general condition and prospects of the overall PRC economy. Any significant reduction in the PRC Government's investments in infrastructure development, particularly the transportation infrastructure sector, could have a material and adverse effect on the Group's business.

The Group's business is affected by the level of growth in the national and regional economies in the PRC, and the general level of activities and growth in the industries in which the Group operates.

The construction operations and the survey, design and consultancy operations of the Group are affected by the general level of activities and growth in the construction industry in the PRC. Factors which may influence the performance and growth of the construction industry include general national economic conditions, mortgage and interest rate levels, inflation, unemployment, demographic trends, gross domestic product growth and consumer confidence. A downturn in economic activities in the PRC could lead to a recession in the construction industry. The Group's financial condition and results of operations could be materially and adversely affected by a downturn in the construction industry in the PRC or in any of the regional markets where the Group operates.

Success of the real estate development operations of the Group is dependent on the PRC property sector. Historically, the PRC property market has been a cyclical market with volatility in market conditions and fluctuations in property prices. The property prices in the PRC have experienced significant fluctuations since the 1990s. It is not possible to predict whether demand for properties in the PRC will increase or fall further, as many social, political, economic, legal and other factors may affect the development of the property market. In particular, the PRC Government has in recent years taken various measures to regulate the property market, such as raising benchmark interest rates of commercial banks, placing additional limitations on the ability of commercial banks to make loans to property developers, imposing additional taxes and levies on property sales, restricting foreign investment in the PRC property market and imposing restrictions on the purchase of properties by domestic individuals. There is no assurance that the PRC Government will not adopt additional and more stringent industry policies and regulations in the future. Any further weakening in the PRC property sector could adversely affect the financial condition and results of operations of the real estate development operations of the Group and the Group as a whole.

The Group is required to comply with extensive environmental, safety and health laws and regulations and quality control standards and the compliance of which may be onerous or expensive.

The Group is required to comply with extensive environmental, health and safety laws and regulations promulgated by the PRC Government and the governments of other overseas jurisdictions in which it operates, as well as quality control standards. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. If the Group fails to comply with these laws and regulations and industry standards applicable to its operations, it could be subject to suspension of its operations, failed evaluation when the project is delivered for review, substantial penalties, fines, suspension or revocation of its licences or permits to conduct business, termination of government contracts, administrative proceedings or litigation. Such events could have a material and adverse impact on its business, results of operations, financial condition and reputation. As these laws and regulations continue to evolve, there can be no assurance that the PRC Government or the governments of other overseas jurisdictions in which the Group has operations will not impose additional or more onerous laws or regulations, compliance with which may cause the Group to incur significantly increased costs, which the Group may not be able to pass on to its customers. In addition, some of the new overseas markets that the Group is seeking to enter may have more onerous environmental, safety and health regulations than in China, compliance with which may be costly and could hinder its endeavours to enter these new overseas markets.

The Group is required to possess permits, certificates or licences to undertake its business operations and any loss, termination or non-renewal of these permits, certificates or licences could have a significant and adverse impact on its business.

The Group is required to possess permits, certificates and licences issued by the relevant government agencies to conduct its business, including its construction operations and manufacturing operations, and it must comply with the restrictions and conditions imposed by various governmental authorities to maintain its permits, certificates and licences. The Group is subject to regular inspections, examination, inquiries and audits by governmental authorities as part of the process of maintaining or renewing these various licenses, certificates and permits. The Group is also subject to periodic and spot inspections conducted by governmental authorities at various levels. In the event that any of its or its subsidiaries' facilities or products fail such inspections, the Group's business, profitability and reputation may be materially and adversely affected. The Group may also be subject to fines or other financial penalties in such events. It cannot be assured that the Group will be able to maintain or renew its existing licenses, certificates or permits, or any other regulatory approvals or obtain new licenses, certificates, permits or other approvals required for its continuing operation on a timely basis or at all. Failure to comply with applicable laws and regulations or failure to maintain, renew or obtain the necessary licenses, certificates, permits or approvals could materially and adversely affect the Group's business, results of operations and financial condition.

The Group faces significant and increasing competition in the markets in which it operates, and failure to compete effectively could adversely affect its business.

The Group experiences significant competition in the markets in which it operates, in particular in the construction, survey, design and consultancy and the real estate development operations in the PRC. The Group's competition comes from various sources, including both large and local state-owned and private companies in China, as well as leading international companies. The Group competes with other domestic construction companies for railway construction projects and expects to face increasing competition from both local and international players in the future. Increased competition may result in loss of market share and may adversely impact the Group's results of operations and financial condition.

The Group is exposed to risks in connection with contracting with public bodies.

The PRC and overseas government agencies (which term shall include entities administered and financed by such agencies) at national, provincial and local levels are the largest group of investors in the

transportation infrastructure industry, and they are the Group's core customer base. The Group is therefore exposed to risks in connection with contracting with such public bodies. For example, many of the Group's contracts with government agencies are for large and high profile infrastructure projects, which can result in increased political and public scrutiny of its work. Such public bodies may from time to time require the construction methods or equipment utilised to be changed, directing the Group to reconfigure its designs or purchase machinery and equipment for the relevant project, thereby subjecting the Group to additional costs. Due to the fact that most of the transportation infrastructure projects are funded by government agencies, these projects are sometimes subject to changes or postponement arising from factors such as changes in government budget, changes in policy considerations or changes of government in certain overseas jurisdictions, which could also lead to a withholding of, or delay in, payments to the Group. Government agencies generally exercise significant discretion in the performance of their contracts with us. If any public body terminates or fails to renew a contract with the Group, its backlog may be reduced. See "*Business — Backlog*". In addition, disputes with public bodies could potentially lead to contract termination if unresolved or may last for considerably longer periods of time than for those that occur with private sector counterparties, and we may not be able to receive payments from public bodies timely or at all as a result.

The Group is susceptible to changes in regulatory landscapes of the PRC real estate industries.

With respect to the real estate development operations, the Group derives revenue from the sale of properties that it has developed. This revenue stream is dependent on the Group's ability to complete and sell its property developments. To maintain or grow its real estate development operations in the future, the Group needs to replenish its land reserve with suitable land sites for developments. The Group's ability to identify and acquire a sufficient land bank suitable for property development is subject to a number of factors that are beyond its control. The PRC Government has implemented a series of measures with a view to control real estate industry in recent years. In particular, the PRC Government has continued to introduce various restrictive measures to discourage speculation in the real estate market. The government exerts considerable direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as control over the supply of land for property development, control of foreign exchange, property financing, taxation and foreign investment. As a result, the PRC Government may implement regulations or policies to influence property development activities, place limitations on the ability of commercial banks to make loans to property purchasers, impose additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we serve.

Under PRC law, if a developer fails to develop land in accordance with the terms of a land use rights grant contract (including those relating to the payment of fees, the designated use of the land and the time for commencement and completion of the development), the relevant government authorities may impose a penalty on the developer or confiscate the land. There is no assurance that circumstances leading to confiscation of land or delays in the completion of a property development will not arise in the future. If the Group's land is confiscated, it will be unable to continue its property development on the confiscated land or recover the costs incurred in the initial acquisition of the confiscated land or recover development costs and other costs incurred up to the date of confiscation. In addition, in the event that the government exercises its authority to confiscate any land use rights that have been legally granted to the Group, the Group may not be compensated for the full market value of the land.

Any inability to identify or acquire sufficient appropriate sites at reasonable costs or complete the development of real property projects in a timely manner could materially and adversely affect the Group's financial condition, profitability and future growth prospects.

Risks Relating to the PRC

The Group's business, financial condition, results of operations and prospects could be adversely affected by the PRC economy.

A substantial part of the Group's revenue is derived in the PRC. The Group relies, to a significant degree, on domestic demand for railway, property and its other projects to achieve revenue growth. Such

domestic demand is materially affected by industrial development, growth of private consumption and overall economic growth in the PRC.

According to statistics released by the National Bureau of Statistics of the PRC, the PRC's gross domestic product ("GDP") year-on-year growth rate was 5.0 per cent. in 2024, which decreased by 0.2 per cent. from the figure in 2023. Although the PRC Government has recently taken several measures with the intention of increasing investor confidence in the PRC economy, there can be no assurance that such measures will be effective. There can be no assurance that the PRC Government will continue to implement reforms which may conflict with such targeted growth. The Group's business, financial conditions and results of operations could be adversely affected by the PRC Government's inability to effect timely economic reforms.

Any slowdown in the PRC economy may increase the Group's exposure to material losses from its investments, decrease the opportunities for developing the Group's businesses, create a credit tightening environment, increase the Group's financing costs, or reduce government subsidies to the Group, any of which may result in a material adverse effect on the Group's business, results of operations and financial condition.

If the weakened global economic recovery continues or a global recession recurs, any slowdown of the PRC economy may create a credit tightening environment, increase the Group's interest expense, or reduce domestic demand for the Group's railway, property and other projects, resulting in an adverse negative effect on its business, results of operations and financial condition.

Interpretation and enforcement of the laws and regulations in the PRC may involve uncertainties.

Since 1979, the PRC Government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practises in the PRC and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters, such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainties. The interpretation of PRC laws may be subject to domestic political and policy changes.

Adverse changes in political, social and economic policies of the PRC Government could have a material and adverse effect on the overall economic growth of the PRC, which could in turn affect the Group's business and prospects.

In recent years, the PRC Government has implemented measures emphasising market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. However, a large portion of productive assets in the PRC are still owned by the PRC Government. The PRC Government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management, and there can be no assurance that economic reforms will not have an adverse effect on the Group's business.

The Group's operations and financial results could also be materially and adversely affected by changes in political, economic and social conditions or the relevant policies of the PRC Government, such as changes in laws and regulations (or the interpretation thereof). For example, the PRC Government may decide to change its current policies with respect to railway development and projects, property development and mining, and as such, this could have adverse impact on the Group's business and results of operations. The Group's operating results and financial condition may also be materially and adversely affected by other changes in taxation and changes in state policies affecting the industries in which the

Group operates. In addition, the growth of the Group's projects and business operations depends heavily on economic growth. If the PRC's economic growth slows down or if the PRC economy experiences a recession, the Group's business prospects may be materially and adversely affected. The Group's operations and financial results, as well as its ability to satisfy its obligations under the Notes, could also be materially and adversely affected by changes in measures which might be introduced to control inflation, changes in the rate or method of taxation, the imposition of additional restrictions on currency conversion and the imposition of additional import restrictions.

Risks Relating to the Issuer and the Company

The Issuer is a newly incorporated company.

The Issuer was established specifically for the purpose of raising finance for the purposes of issuing debt securities and onlending the net proceeds from the issue of any debt securities to the Guarantor's subsidiaries. The repayment obligations under the Notes remain the obligations of the Issuer and/or the Guarantor. The Issuer does not and will not have any business activities other than the issue of debt securities, and its ability to make payments under the Notes will depend on their receipt of timely remittance of funds from the Guarantor and/or its subsidiaries and other members of the Group. There is no assurance that the Issuer will be able to receive sufficient funds from the Guarantor and/or its subsidiaries and other members of the Group to make payments under the Notes. There is also no assurance on the Issuer's financial condition for its being owned or controlled by the State.

The financial information as at and for the six months ended 30 June 2024 and 2025 has not been audited.

The financial information as at and for the six months ended 30 June 2024 and 2025 has not been audited by the Group's independent accountants, or any other independent accountants. Such financial information should not be relied upon by potential investors to provide the same quality of information associated with information that has been subject to an audit. Consequently, none of the Joint Lead Managers, the Trustee, the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) makes any representation or warranty, express or implied, regarding the accuracy of such financial statements or their sufficiency for an assessment of, and potential investors must exercise caution when using such data to evaluate the Company's financial condition, results of operations and results. Such information should not be taken as an indication of the expected financial condition, results of operations and results of the Company for the full financial year ending 31 December 2025.

Risks Relating to the Notes and the Guarantee of the Notes

Investors who are considered U.S. Persons for purposes of the Executive Order may not invest in the Notes.

U.S. Executive Order 13959, as amended by Executive Order 14032, (together, the "**Executive Order**") prohibits "U.S. Persons" (defined under the Executive Order, as "any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States") from purchasing or selling "any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities" (each a "**Restricted Security**") of any person identified in the Annex to the Executive Order, as amended, including the Guarantor, or designated by the U.S. Secretary of the Treasury pursuant to the Executive Order, as amended, on the Non-SDN Chinese Military-Industrial Complex Companies List. Investors are responsible for ensuring that they comply with the Executive Order and any related regulations or official guidance issued by the Office of Foreign Assets Control of the Department of the Treasury. Investors who are considered U.S. Persons for purposes of the Executive Order should consider whether this is an appropriate investment.

The Notes may not be a suitable investment for all investors.

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An active trading market for the Notes may not develop, and liquidity of the Notes may be adversely affected if the Notes are held by or allocated to limited investors.

Each series of the Notes is a new issue of securities for which there is currently no trading market. Application will be made to the Hong Kong Stock Exchange for the Notes to be admitted for trading on the Hong Kong Stock Exchange. No assurance can be given that an active trading market for the Notes will develop or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Notes or the price at which Holders will be able to sell their Notes. There can be no assurance that certain of the Joint Lead Managers and/or their affiliates will not initially purchase a significant portion of the Notes for asset management and/or proprietary purposes but not with a view to distribution. Liquidity of the Notes will be adversely affected if the Notes are held by or allocated to limited investors. None of the Joint Lead Managers is obliged to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, Holders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

Notes which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The denominations of the Notes are CNY1,000,000 and integral multiples of CNY10,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of CNY1,000,000 that

are not integral multiples of CNY1,000,000. In such a case, a Holder who, as a result of trading such amounts, holds a principal amount of less than CNY1,000,000 in respect of the Notes will not receive a definitive certificate in respect of such holding of Notes (should definitive certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations. If definitive certificates are issued, Holders should be aware that Notes with aggregate principal amounts that are not an integral multiple of CNY1,000,000 may be illiquid and difficult to trade.

The Issuer may issue additional Notes in the future.

The Issuer may, from time to time, and without prior consultation of the Noteholders, create and issue further Notes (see “*Terms and Conditions of the Notes — Further Issues*”) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Notes.

The Issuer may raise additional capital which affects the price of the Notes.

The Issuer may raise additional capital through the issue of other securities or other means. Other than certain restrictions on issuing certain secured indebtedness or guaranteed indebtedness as set out in Condition 3(a) (*Negative Pledge*) of the Terms and Conditions of the relevant series of the Notes, there is no restriction, contractual or otherwise, on the amount or type of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Notes. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up of the Issuer. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Notes and/or the ability of Holders to sell their Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Potential investors should consult their legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The liquidity and price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Group’s turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to the department store industry and general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the Hong Kong Stock Exchange, which standards may be different from those applicable to companies in certain other countries.

The Issuer will be subject to reporting obligations in respect of the Notes to be listed on the Hong Kong Stock Exchange. The disclosure standards imposed by the Hong Kong Stock Exchange may be different than those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what Noteholders are accustomed to.

The ratings of the Notes may be downgraded or withdrawn.

Each series of the Notes are expected to be assigned a rating of “A3” by Moody’s.

The ratings represent only the opinions of the rating agency and its assessment of the ability of the Issuer and the Guarantors to perform their respective obligations under the Notes and the Guarantee of the Notes and their credit risks in determining the likelihood that payments will be made when due under the Notes. Ratings are not recommendations to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawn at any time. Neither the Issuer or the Guarantor is obligated to inform Noteholders if the ratings are lowered or withdrawn. Each rating should be evaluated independently of the other rating.

A downgrade or withdrawal of the ratings may materially and adversely affect the market price of the Notes and the Issuer’s ability to access the debt capital markets.

Changes in interest rates may have an adverse effect on the price of the Notes.

The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Notes are redeemable in the event of certain withholding taxes being applicable.

No assurances are made by the Issuer or the Guarantor as to whether or not payments on the Notes may be made without withholding taxes or deductions applying from the Issue Date on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or any subdivision or authority therein or thereof having power to tax. Although pursuant to the Terms and Conditions of the relevant series of the Notes, the Issuer and the Guarantor are required to gross up payments on account of any such withholding taxes or deductions, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025 where the Issuer or the Guarantor has or will become obligated to pay additional tax and such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it.

The Trustee may request Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction.

In certain circumstances, including without limitation giving notice to the Issuer pursuant to Condition 8 (*Events of Default*) of the Terms and Conditions of the Notes and taking enforcement steps pursuant to Condition 13 (*Enforcement*) of the Terms and Conditions of the Notes, the Trustee may, at its sole and absolute discretion, request Noteholders to provide an indemnity, security and/or pre-funding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or pre-funded and/or provided with security to its satisfaction. Negotiating and agreeing to an indemnity, security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity, security and/or pre-funding to it, in breach of the terms of the Trust Deeds, the Deeds of Guarantee or the Terms and Conditions of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law or regulations, it will be for the Noteholders to take such actions directly.

Decisions that may be made on behalf of all Noteholders may be adverse to the interests of individual Noteholders.

The Terms and Conditions of the relevant series of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Noteholders may be adverse to the interests of individual Noteholders.

The Issuer may be unable to redeem the Notes.

On certain dates, including the occurrence of an early redemption event and at maturity of the relevant series of the Notes, the Issuer may, and at maturity, will be required to redeem all of the relevant series of the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the relevant series of the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to redeem the Notes by the Issuer, in such circumstances, would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Guarantor and its subsidiaries.

The Issuer's ability to make payments under the Notes will depend on timely payments under on lent loans of the proceeds from the issue of the Notes to the Guarantor and its subsidiaries.

The Issuer is a wholly-owned subsidiary of the Guarantor formed for the principal purpose of issuing the Notes and will onlend the entire proceeds from the issue of the Notes to the Guarantor and its subsidiaries. The Issuer does not and will not have any net assets other than such on lent loans and its ability to make payments under the Notes depends on timely payments under such loans. In the event that the Guarantor and its subsidiaries do not make such payments due to limitation in such loans or other agreements, lack of available cash flow or other factors, the Issuer's ability to make payments under the Notes may be adversely affected.

The Notes may be redeemed early at the Issuer's option.

The 2030 Notes and the 2035 Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2030 and 11 October 2035, respectively, on giving not less than 30 or more than 60 days' irrevocable notice to the Noteholders of the relevant series of the Notes (in accordance with Condition 15 (*Notices*) of the Terms and Conditions of the Notes) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Notes and the Guarantee of the Notes will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer, and effectively subordinated to the Issuer's and the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness.

The Notes and the Guarantee of the Notes will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer, whether or not secured. The Notes will not be guaranteed by any of the Issuer's and the Guarantor's subsidiaries, and the Issuer and the Guarantor may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends

or otherwise transfer assets to the Issuer and the Guarantor is subject to various restrictions under applicable law. Each of the Issuer's and the Guarantor's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes or the Guarantee of the Notes or make any funds available therefore, whether by dividends, loans or other payments.

The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the Guarantor are creditors of that subsidiary). Consequently, the Notes and the Guarantee of the Notes will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Issuer's and the Guarantor's subsidiaries, other than the Issuer, and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The Notes and the Guarantee of the Notes are the Issuer's and the Guarantor's unsecured obligations, respectively, and will (i) rank equally in right of payment with all the Issuer's and the Guarantor's other present and future unsecured indebtedness; (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's and the Guarantor's present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders ratably with all of the Issuer's or the Guarantor's other unsecured creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

The PRC Government has no payment or other obligations under the Notes.

The PRC Government is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Notes, or in lieu of the Issuer or the Guarantor. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Investment and Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知，財金[2018]23號), (the “**MOF Circular**”) promulgated on 28 March 2018 and which took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委，財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知，發改外資[2018]706號) (the “**Joint Circular**”) promulgated on 11 May 2018 and which took effect on the same day.

The PRC Government controls the Guarantor and has limited liability in the form of its equity contribution in the Guarantor in accordance with the PRC Company Law. As such, the PRC Government does not have any payment obligations under the Notes or the Deeds of Guarantee. The Notes is solely to be repaid by the Issuer and the Guarantee by the Guarantor, each as an obligor under the relevant transaction documents and as an independent legal person. Furthermore, the ownership or control of the Guarantor and Issuer by SASAC does not necessarily correlate to, or provide any assurance as to the Guarantor or Issuer's financial condition.

Modifications and waivers may be made in respect of the Terms and Conditions of the Notes, the Trust Deeds, the Deeds of Guarantee or the Agency Agreement by the Trustee or less than all of the holders of the Bonds.

The Terms and Conditions of the relevant series of the Notes will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Noteholders, including those Noteholders who do not attend, participate or vote at the relevant meeting, written resolution or electronic consent and those Noteholders who vote in a manner contrary to the majority. Furthermore, there is a risk that the decision of a majority of Noteholders may be adverse to the interests of individual Noteholders.

The Terms and Conditions of the relevant series of the Notes also provide that the Trustee may (but shall not be obliged to), without the consent of Noteholders, agree to any modification (except as mentioned in the Trust Deeds) of, or to the waiver or authorisation of any breach or proposed breach of any of the Notes or any of the provisions of the Deeds of Guarantee, the Trust Deeds or the Agency Agreements which in its opinion, the interests of the Noteholders will not be materially prejudiced thereby, and may (but shall not be obliged to) agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. Any such authorisation, waiver or modification shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

The Group receives support from the PRC government and there can be no assurance that the Group will continue to receive such support in the future.

China Railway Construction Corporation, the Controlling Shareholder of the Guarantor, is one of the state-owned key backbone companies directly owned by the central government, and the Group has received business and financial support from the PRC government. However, the Group has no control over the grant of subsidies or the policies governing the grant of government subsidies. There can be no assurance that the current government policies that are favourable to the Group will not change in the future and the Group will continue to obtain support from the PRC government. Any changes or withdrawal of support from the PRC government may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Any failure to complete the relevant filings under the NDRC Foreign Debt Measures within the prescribed time frame following the completion of the issue of the Notes may have adverse consequences for the Issuer, the Guarantor and/or the investors of the Notes.

On 14 September 2015, the NDRC issued the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) which came into effect on the same day (the “**NDRC Circular**”). On 5 January 2023, the NDRC published the Administrative Measures for the Review and Registration of Medium and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法) (the “**NDRC Foreign Debt Measures**”), which came into effect on 10 February 2023 and repealed the NDRC Circular on the same date. The NDRC Foreign Debt Measures apply to medium and long-term foreign debts with a maturity of more than one year that are borrowed from overseas by enterprises within the territory of the PRC and by overseas enterprises or branches controlled by aforementioned PRC enterprises, denominated in local or foreign currency, and of which principal is repaid with payment of interest as agreed. Domestic enterprises and their overseas controlled entities shall obtain from the NDRC a pre-issuance registration certificate prior to issuing offshore debt securities. The Issuer has registered the issuance of the Notes with the NDRC and obtained an Enterprise Foreign Debt Review and Registration Certificate (《企業借用外債審核登記證明》) from NDRC on 23 October 2025 evidencing such registration (the “**NDRC Certificate**”). The Issuer undertakes to complete the NDRC Post-issue Filing within the prescribed time period after the Issue Date according to

the NDRC Foreign Debt Measures and shall comply with regulations regarding risk management and interim and ex-post supervision of the NDRC Foreign Debt Measures and any other rules and regulations promulgated by the NDRC in relation with the supervision and management of foreign debt from time to time. For any enterprise failing to comply with filing and reporting requirements under the NDRC Foreign Debt Measures, the NDRC will order such enterprise to take rectification actions within a prescribed time limit; and if the circumstances are severe or the enterprise fails to take rectification action within the prescribed time limit, give a warning to the relevant enterprise and its principal liable person. Furthermore, conducts in violation of the NDRC Foreign Debt Measures committed by enterprises will be publicised on, among others, the Credit China (信用中國) website and the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統). As new regulation, the NDRC Foreign Debt Measures will be subject to interpretation and application by the relevant PRC authorities, and it remains unclear what impact non-compliance will have on the Notes. Potential investors in the Notes are advised to exercise due caution when making their investment decisions.

If the Guarantor fails to complete the SAFE registration in connection with the Guarantee of the Notes, there may be hurdles for cross-border payment under the Guarantee of the Notes.

Under the Guarantee of each series of the Notes, the Guarantor will unconditionally and irrevocably undertake to guarantee the due payment of all sums expressed to be payable by the Issuer due under the relevant series of the Notes and the relevant Trust Deed. The obligations of the Guarantor will be contained in the relevant Deed of Guarantee.

The Guarantor is required by the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014 (the “**Cross-Border Security Registration**”) to register the Guarantee of the Notes with SAFE within 15 working days of the date of execution of the Deeds of Guarantee. Although the non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC laws, SAFE may impose penalties on the Guarantor if the Guarantor fails to complete the SAFE registration. Further, there may be hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee of the Notes) as domestic banks may require evidence of SAFE registration in connection with the Guarantee of the Notes in order to effect such remittance. The Guarantor intends to register the Guarantee of the Notes as soon as practicable within the prescribed time period in accordance with the Cross-Border Security Registration and in the opinion of the Guarantor’s PRC legal advisers, subject to any contrary interpretation by SAFE, there is no legal impediment to completion of such registration. A failure to complete the SAFE registration and satisfy the Registration Condition (as defined in the Terms and Conditions of each series of the Notes) on or before the Registration Deadline would result in a Non-Registration Event, which constitutes a Relevant Event, and would also give the Holder of any Note to have the right, at such Holder’s option, to require the Issuer to redeem all but not only some of that Holder’s Note on the Put Settlement Date (as defined in the Terms and Conditions of the relevant series of the Notes) at 100 per cent. of their principal amount, together with interest accrued up to, but excluding, the Put Settlement Date. Prior to the performance or discharge of its obligations under the Guarantee of the Notes, the Guarantor is also required to complete a verification process with banks for each remittance under the Guarantee of the Notes.

The interpretation of the Cross-Border Security Registration (as well as any implementation rules as issued by SAFE from time to time, including the Circular of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Management and Improving Authenticity and Compliance Review (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》(匯發[2017]3號)) as per which funds raised offshore under Nei Bao Wai Dai (內保外貸) (“**NBWD**”) are allowed to be directly or indirectly repatriated to the PRC by means of loans or equity investments) may involve uncertainty, such as the Policy Questions and Answers (second batch) of the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and

Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知(匯發[2017]3號) 政策回答(第二期)), under which an overseas debtor transfers funds of overseas loans under domestic guarantee in the form of foreign debt for domestic use, the domestic institution borrowing such funds shall meet the relevant current requirements for foreign debt administration, and complete foreign debt registration, to make equity investment in a domestic institution with funds of overseas loans under domestic guarantee, an overseas debtor shall meet the administrative provisions of the relevant competent departments on foreign direct investment. There is no assurance that the registration of the Guarantee of the Notes with SAFE can be completed or that the registration with SAFE obtained by the Guarantor will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the validity and enforceability of the Guarantee of the Notes in the PRC.

The insolvency laws of Hong Kong, the PRC and other local insolvency laws may differ from those of other jurisdictions with which the Holders of the Notes are familiar.

As the Issuer is incorporated under the laws of Hong Kong and the Guarantor is incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer or the Guarantor, even if brought in other jurisdictions, would likely involve insolvency laws of Hong Kong or the PRC, respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Holders of the Notes are familiar.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts. There is also no established practice in the PRC courts for the recognition and enforcement of judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Notes, the Trust Deeds, the Agency Agreement and the Deeds of Guarantee are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**2019 Arrangement**”). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Chinese mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 25 January 2024 (the “**Judicial Interpretation**”). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

Unlike other notes issued in the international capital markets where holders of such notes would typically not be required to submit to an exclusive jurisdiction, the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Noteholders' ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Chinese mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the Chinese mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Chinese mainland or the social and public interests of the Chinese mainland. While it is expected that the relevant People's Courts of the Chinese mainland will recognise and enforce

a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

Each series of the Notes will be represented by a Global Note Certificate and holders of a beneficial interest in a Global Note Certificate must rely on the procedures of the Clearing Systems.

Each series of the Notes will be represented by beneficial interests in a Global Note Certificate, which will be registered in the name of, and lodged with a sub-custodian for, the HKMA as operator of the CMU. Beneficial interests in the Global Note Certificates will be shown on and transfers thereof will be effected only through records maintained by the CMU. Except in the circumstances described in the relevant Global Note Certificate, investors of the Notes will not be entitled to receive individual Note certificates.

While each series of the Notes will be represented by the relevant Global Note Certificate and the Global Note Certificates are held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each CMU participant who is for the time being shown in the records of the Operator as the holder of a particular principal amount of the Notes (each an “**accountholder**”).

A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the CMU to receive payments under the Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any such Global Note Certificate.

Holders of beneficial interests in a Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CMU to appoint appropriate proxies.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of their respective debt to be accelerated.

If the Issuer or the Guarantor is unable to comply with their respective current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer and the Guarantor, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer’s or the Guarantor’s debt agreements contain cross-acceleration or cross-default provisions. As a result, the Issuer’s or the Guarantor’s default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under the Issuer’s or the Guarantor’s other debt agreements. If any of these events occur, the Issuer and the Guarantor cannot assure Holders that their respective assets and cash flows would be sufficient to repay in full all of their respective indebtedness, or that the Issuer and the Guarantor would be able to find alternative financing. Even if they could obtain alternative financing, they cannot assure holders that it would be on terms that are favourable or acceptable to them.

The Guarantor’s subsidiaries, jointly controlled entities and associated companies are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Guarantor, its jointly controlled entities and associated companies.

As a holding company, the Guarantor depends on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Notes and the

Guarantee of the Notes. The ability of the Guarantor's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Guarantor cannot assure that its subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Guarantor to make payments on the Notes. These factors could reduce the payments that the Guarantor receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its payment obligations under the Notes and the Guarantee of the Notes.

PRC laws and regulations permit payment of dividends only out of accumulated profits as determined in accordance with PRC accounting standards and regulations. The PRC subsidiaries, jointly controlled entities and associated companies of the Guarantor are also required to set aside a portion of their post tax profits according to PRC accounting standards and regulations to fund certain reserves that are not distributable as cash dividends. In addition, starting from 1 January 2008, dividends paid by such PRC subsidiaries, jointly controlled entities and associated companies to their non-PRC parent companies will be subject to a 10.00 per cent. withholding income tax, unless there is a tax treaty between the PRC and the jurisdiction in which the overseas parent company is incorporated which specifically exempts or reduces such withholding income tax. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) together with related implementation rules, if a non-PRC parent company is a Hong Kong resident and directly holds a 25.00 per cent. or more interest in a PRC enterprise for at least 12 consecutive months immediately prior to receiving the dividends, and subject to certain other requirements, this withholding income tax rate may be lowered to 5.00 per cent. Moreover, according to the Circular of the State Administration of Taxation on Relevant Issues Concerning the Implementation of Dividend Clauses in Tax Treaties (國家稅務總局關於執行稅收協定股息條款有關問題的通知) issued by the SAT in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, the PRC tax authorities have the discretion to adjust a preferential tax rate of an offshore entity to the relevant tax rate that it otherwise would have been eligible for. The Guarantor cannot provide assurance that the PRC tax authorities will grant approvals on the 5.00 per cent. withholding income tax rate on dividends received by it or its subsidiaries, jointly controlled entities and associated companies in Hong Kong from their respective PRC subsidiaries, jointly controlled entities and associated companies. As a result of such factors, the Guarantor could face difficulties in making payments required by the Notes or satisfying obligations under the Guarantee of the Notes.

The Issuer may be treated as a PRC resident enterprise for PRC tax purpose, which may subject the Issuer to PRC income taxes on its worldwide income and interest payable by the Issuer to foreign investors and gains on the transfer of the Notes may be subject to income tax under PRC tax laws.

The Issuer was incorporated under the laws of Hong Kong as a public company. Pursuant to the EIT Law and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose "de facto management bodies" are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law and income or gains paid with respect to the Notes may be considered to be a source derived from within the PRC.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Notes by Holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise

income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes by individual Holders who are not PRC citizens or residents will be subject to PRC individual income tax. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer would be subject to PRC enterprise income tax at the rate of 25.00 per cent. on their global income, and interest paid on the Notes may be considered to be a source from within PRC. If such gains are subject to PRC income tax, the 10.00 per cent. enterprise income tax rate and 20.00 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes *minus* all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between Chinese mainland and Hong Kong for the avoidance of double taxation (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》, the “**Arrangement**”), the PRC income tax on capital gains derived from a sale or exchange of the Notes to Holders who are Hong Kong residents, including both enterprise Holders and individual Holders, will be 7 per cent. of the gross amount of the interest pursuant to the Arrangement and relevant interpretation of the Arrangement formulated by SAT. If a Holder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Notes, the value of the relevant Holders’ investment in the Notes may be materially and adversely affected.

Gains on the transfer of the Notes may be subject to income tax under PRC tax laws.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Notes by Holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as incomes derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes by individual Holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10.00 per cent. enterprise income tax rate and 20.00 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes *minus* all costs and expenses that are permitted under PRC tax laws to be deducted from the income.

According to the Arrangement, the PRC income tax on capital gains derived from a sale or exchange of the Notes to Holders who are Hong Kong residents, including both enterprise Holders and individual Holders, will be 7 per cent. of the gross amount of the interest pursuant to the Arrangement and relevant interpretation of the Arrangement formulated by SAT.

If a Holder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Notes, the value of the relevant Holders’ investment in the Notes may be materially and adversely affected.

On 23 March 2016, the MOF and the SAT issued the “Notice on the Comprehensive Roll-out of the Business Tax to Value Added Tax Transformation Pilot Program” (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知, *CAISHUI [2016] No. 36*, “**Circular 36**”) which confirms that business tax will be completely replaced by VAT from 1 May 2016 where entities or individuals sell services, intangible properties or real properties within PRC. Since then, the income derived from the provision of

financial services which attracted business tax will be entirely replaced by, and subject to, VAT. VAT is unlikely to apply to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. However, Circular 36 and the PRC laws and regulations pertaining to VAT will depend on how the PRC tax authorities interpret, apply or enforce Circular 36 and its implementation rules, and the applicability of such laws and regulations involve uncertainties.

If a Holder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax or VAT on gains on the transfer of the Notes, the value of the relevant Holder's investment in the Notes may be adversely affected.

Investors shall be aware of the effect of changes of law.

The “*Terms and Conditions of the 2030 Notes*” and the “*Terms and Conditions of the 2035 Notes*” are based on English law in effect as at the date hereof. No assurance can be given as to the impact of any possible judicial decision or change to English law, or administrative practices after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Each series of the Notes being issued as green notes may not be a suitable investment for all investors seeking exposure to sustainable assets.

In connection with the issue of each series of the Notes, the Issuer engaged Moody's Investor Service to provide a second party opinion in relation to the Notes (the “**Second Party Opinion**”). The Second Party Opinion is not incorporated into, and does not form part of, this Offering Circular. The Second Party Opinion is not a recommendation to buy, sell or hold securities and are only current as of its date of issue and is subject to certain disclaimers set out therein. Furthermore, the Second Party Opinion is for information purposes only and Moody's Investor Service does not accept any form of liability for the substance of the Second Party Opinion and/or any liability for loss arising from the use of the Second Party Opinion and/or the information provided in it. As at the date of this Offering Circular, the providers of such Second Party Opinion are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

Whilst the Issuer has agreed to certain obligations relating to reporting and use of proceeds as described under the sections headed “Green Finance Framework” and “Use of Proceeds”, it would not be an Event of Default under the Terms and Conditions of the relevant series of the Notes if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the Notes, in the manner specified in this Offering Circular and/or (ii) the Second Party Opinion issued in connection with such Notes were to be withdrawn. Any failure to use the proceeds of the issue of the Notes in connection with green projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to such Notes, may affect the value and/or trading price of the Notes, and/or may have consequences for certain investors with portfolio mandates to invest in green or social projects. In the event that the Notes are included in any dedicated “green”, “environmental”, “social”, “sustainable” or other equivalently-labelled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

None of the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person

who controls any of them makes any representation as to the suitability for any purpose of the Second Party Opinion Report or (i) whether the Notes will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors or (ii) whether the net proceeds will be used to finance and/or refinance, in whole or in part, existing Eligible Projects as further described in “Green Finance Framework”. Each potential purchaser of the Notes should have regard to the eligibility criteria described under the sections headed “Green Finance Framework” and determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds, and its purchase of any Notes should be based upon such investigation as it deems necessary.

Risks Relating to Notes denominated in Renminbi

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Issuer will pay principal, premium and interest on the Notes in Renminbi (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency equivalent yield on the Notes, (ii) the Investor’s Currency equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency equivalent market value of the Notes. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of the Notes.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong, Macau, Singapore, Taiwan, Seoul, Frankfurt, London, Paris, Luxembourg, Doha and Toronto have been permitted to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are still being developed.

Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the PBOC in 2018, there can be no assurance that the PRC government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which will have the

effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance their obligations under the Notes denominated in Renminbi.

Remittance of proceeds into or outside of the PRC in Renminbi may be subject to restrictions.

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC governmental authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There can be no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the ability of the Issuer to source Renminbi outside the PRC to service such Notes.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the “**Renminbi Clearing Banks**”) and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the “**Settlement Arrangements**”), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There can be no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Notes, there can be no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

TERMS AND CONDITIONS OF THE 2030 NOTES

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the 2030 Notes, substantially as they will appear on the reverse of each of the individual note certificates evidencing the 2030 Notes.

The CNY3,000,000,000 2.18 per cent. guaranteed notes due 2030 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) to be consolidated and forming a single series therewith) of CRCC Huayuan Limited (鐵建華源有限公司) (the “**Issuer**”) was authorised by a resolution of the Board of Directors (as defined below) of the Issuer passed on 4 November 2025. The Notes are guaranteed by China Railway Construction Corporation Limited (the “**Guarantor**”) pursuant to a deed of guarantee dated 11 November 2025 (the “**Deed of Guarantee**”). The giving of the Deed of Guarantee was authorised by a resolution of the Board of Directors of the Guarantor on 27 and 28 March 2025 and a resolution of the shareholders of the Guarantor dated 20 June 2025. The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 11 November 2025 (as amended, restated, replaced or supplemented from time to time, the “**Trust Deed**”) between the Issuer, the Guarantor and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 11 November 2025 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”, which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Notes), the transfer agent named therein (the “**Transfer Agent**”, which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes), the paying agent named therein (together with the CMU Lodging and Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. References herein to the “**Agents**” are to the Registrar, the CMU Lodging and Paying Agent, the Transfer Agents and the Paying Agents and any reference to an “**Agent**” is to any one of them. Certain provisions of these Conditions are summaries of the Deed of Guarantee, the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Guarantee and the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Copies of the Deed of Guarantee, the Trust Deed and the Agency Agreement are available for inspection upon prior written request and satisfactory proof of holding by Noteholders during normal business hours (being 9:00 am (Hong Kong time) to 3:00 pm (Hong Kong time)) at the specified office for the time being of the Trustee, being at the date hereof 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below. All capitalised terms that are not defined in the Conditions have the same meanings given to them in the Trust Deed.

1. Form, Denomination, Status and Guarantee

- (a) *Form and denomination:* The Notes are in registered form in the denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each, an “**Authorised Denomination**”).
- (b) *Status of the Notes:* The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least

pari passu with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

- (c) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “**Guarantee of the Notes**”) constitutes a direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (*Negative Pledge*)) unsecured obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*Upon issue, the Notes will be evidenced by a global note certificate (the “**Global Note Certificate**”) substantially in the form scheduled to the Trust Deed. The Global Note Certificate will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the “**Operator**”) of the Central Moneymarkets Unit Service (the “**CMU**”), and will be exchangeable for definitive Note Certificates only in the circumstances set out therein. These Conditions are modified by certain provisions contained in the Global Note Certificate while any of the Notes are represented by the Global Note Certificate. See “Summary of Provisions Relating to the Notes in Global Form”.*

*For so long as any of the Notes are represented by the Global Note Certificate, each person who is for the time being shown in the records of the Operator as the holder of a particular principal amount of Notes (the “**accountholder**”) (in which regard any certificate or other document issued by the Operator as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the CMU Lodging and Paying Agent, the Registrar, the Transfer Agent, the other Agents and the Operator as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Guarantor, the Trustee, the CMU Lodging and Paying Agent, the Registrar, the Transfer Agent, the other Agents and the Operator solely in the registered holder of the Global Note Certificate in accordance with and subject to its terms (and the expressions “**Noteholder**” and (in relation to a Note) “**holder**” and related expressions shall be construed accordingly). Notwithstanding the above, if the Global Note Certificate is held by or on behalf of the CMU, any payments that are made in respect of the Notes represented by the Global Note Certificate shall be made to the respective accountholders.*

2. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the “**Register**”) in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no

person shall be liable for so treating such Holder. Except as otherwise provided for in the Trust Deed, no person shall have any right to enforce any term or condition of the Notes, the Deed of Guarantee or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

- (c) *Transfers*: Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.

Transfers of interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing systems.

- (d) *Registration and delivery of Note Certificates*: Within five business days of receipt by the Registrar or (as the case may be) any Transfer Agent of a duly completed form of transfer, the surrender of a Note Certificate and provision of such evidence as the Registrar or (as the case may be) such Transfer Agent may require in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder. In this Condition 2 (*Register, Title and Transfers*), “**business day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

Except in the limited circumstances described in the Global Note Certificate, owners of interests in the Notes represented by the Global Note Certificate will not be entitled to receive physical delivery of definitive Note Certificates in respect of their individual holdings of the Notes. The Notes are not issuable in bearer form.

- (e) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such payment or indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods*: Noteholders may not require transfers to be registered:
- (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes; or
 - (ii) after a Put Option Notice (as defined in Condition 5(c) (*Redemption for a Relevant Event*)) has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for a Relevant Event*); or

- (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(e)).
- (g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Noteholder upon prior written request and proof of holding and identity to the satisfaction of the Registrar at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays).

3. Negative Pledge and Other Covenants

- (a) *Negative Pledge:* So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of the Guarantor's Material Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.
- (b) *Notification to NDRC:* The Guarantor shall:
 - (i) file or cause to be filed with the NDRC the requisite information and documents within the prescribed time period in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號), the “**NDRC Foreign Debt Measures**”) issued by the NDRC and effective from 10 February 2023, and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-issue Filing**”) and comply with all applicable PRC laws and regulations in connection with the Notes; and
 - (ii) within 10 PRC Business Days after submission of such NDRC Post-issue Filing (A) provide the Trustee with a certificate in English signed by any Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the submission of the NDRC Post-issue Filing and (B) give notice to the Noteholders in accordance with Condition 15 (*Notices*) of the same.

The Trustee may rely conclusively on such certificate and shall have no obligation or duty to monitor or ensure the completion of (or otherwise assist with) the NDRC Post-issue Filing on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any certificate, confirmation or other documents in relation to or in connection with the NDRC Post-issue Filing or to translate or procure that any document is translated into English or to give notice to the Noteholders confirming the submission of the NDRC Post-issue Filing, and shall not be liable to the Noteholders or any other person for not doing so.

- (c) *Undertakings in relation to the Guarantee of the Notes:* The Guarantor shall:
- (i) file or cause to be filed with SAFE for the registration of the Deed of Guarantee in accordance with, and within the time period prescribed by, the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014 (the “**Cross-Border Security Registration**”), and any implementation rules as issued by SAFE from time to time;
 - (ii) use its best endeavours to complete the Cross-Border Security Registration and obtain a registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE on or before the Registration Deadline;
 - (iii) comply with all applicable PRC laws and regulations in relation to the provision of the Guarantee of the Notes; and
 - (iv) within 10 PRC Business Days after receipt of registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE:
 - (A) provide the Trustee with a certificate in substantially the form set forth in the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the Cross-Border Security Registration, together with a certified true copy of the relevant SAFE registration record (or any other document evidencing the completion of registration issued by SAFE) relating to the Cross-Border Security Registration certified by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor (collectively, the “**Registration Documents**”); and
 - (B) give notice to the Noteholders (in accordance with Condition 15 (*Notices*)) confirming the completion of the Cross-Border Security Registration.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation or duty to assist with, monitor or ensure the registration of (or otherwise assist with) the Deed of Guarantee with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Cross-Border Security Registration and/or the Registration Documents and/or to translate or procure that any Registration Documents is translated into English or to give notice to the Noteholders confirming the completion of the Cross-Border Security Registration, and shall not be liable to Noteholders or any other person for not doing so.

- (d) *Financial Statements:* So long as any Note remains outstanding, the Guarantor shall send to the Trustee:
- (i) as soon as practicable after their date of publication and in any event not more than 120 calendar days after the end of each financial year, one copy of the audited annual financial statements of the Group (audited by an internationally recognised firm of independent accountants) prepared and presented in accordance with PRC Accounting Standards, and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) an internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by an internationally recognised firm of independent accountants, together with a certificate signed by a director of the Guarantor certifying that such translation is complete and accurate; and

- (ii) as soon as practicable after their date of publication and in any event not more than 60 calendar days after the end of each semi-annual financial period, one copy of the semi-annual financial statements of the Group (reviewed by an internationally recognised firm of independent accountants) prepared and presented in accordance with PRC Accounting Standards, and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) an internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by an internationally recognised firm of independent accountants, together with a certificate signed by a director of the Guarantor certifying that such translation is complete and accurate.

The Trustee shall not be required to review any financial statements or any other financial report furnished or delivered to it as contemplated in this Condition 3(d) and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English language translation of the same or to investigate or verify the accuracy of any translation of the same, and the Trustee shall not be liable to any Noteholder or any other person for not doing so.

- (e) *Change of Financial Year:* So long as any Note remains outstanding, the Issuer and the Guarantor shall inform the Trustee in writing if there is any change in the financial year-end of the Issuer or, as the case may be, the Guarantor.
- (f) *Information in relation to Event of Default or Potential Event of Default:* So long as any Note remains outstanding, the Issuer and the Guarantor shall make available to the Trustee at the same time the Guarantor provides the audited annual financial statements of the Group pursuant to Condition 3(d), a certificate in English of each of the Issuer and the Guarantor signed by any two of their respective directors, which shall be substantially in the form provided in the Trust Deed, stating that as of the end of the latest financial year of the Issuer or the Guarantor, as the case may be, (A) no Event of Default or Potential Event of Default (as defined in the Trust Deed) had occurred since the certification date of the last such certificate or (if there has been no such certificate previously) the Issue Date, or, if such an event had occurred, giving details of it and the action which the Issuer or the Guarantor proposes to take with respect thereto and (B) the Issuer or the Guarantor, as the case may be, has complied with all of the covenants that the Issuer or the Guarantor, as the case may be, is bound by under the Conditions, the Trust Deed, the Agency Agreement and the Deed of Guarantee, or, if such non-compliance had occurred, giving details of it.

The Trustee shall be entitled to rely conclusively without investigation upon each such certificate given as contemplated in these Conditions and the Trust Deed and shall not be liable to the Issuer, the Guarantor, any Noteholder or any other person for so relying.

In these Conditions:

“Board of Directors” means the board of directors elected or appointed by the relevant shareholders of the Issuer or the Guarantor, as applicable, to manage the business of the Issuer or Guarantor, or any committee of such board duly authorised to take the action purported to be taken by such committee;

“Group” means the Guarantor and its Subsidiaries, taken as a whole;

“Guarantee” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“Macau” means the Macau Special Administrative Region of the People’s Republic of China;

“Material Subsidiary” means any Subsidiary of the Guarantor:

- (a) whose total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its latest audited income statement is at least ten per cent. of the consolidated total revenue as shown by the latest published audited income statement of the Guarantor and its consolidated Subsidiaries; or
- (b) whose gross profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement, is at least ten per cent. of the consolidated gross profit as shown by the latest published audited consolidated income statement of the Guarantor and its consolidated Subsidiaries, including for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (c) whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet, are at least ten per cent. of the consolidated net assets of the Guarantor and its Subsidiaries as shown by the latest published audited

consolidated balance sheet of the Guarantor and its Subsidiaries, including the investment of the Guarantor and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of such Guarantor and of associated companies and after adjustment for minority interests,

provided that, in relation to paragraphs (a), (b) and (c) above:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
 - (ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, total revenue, gross profit or net assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by or on behalf of the Guarantor;
 - (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its net assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Guarantor; and
 - (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, *whereupon* the Material Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall immediately become a Material Subsidiary, **provided that** on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, whether or not such transferor Subsidiary or transferee Subsidiary would continue to be a Material Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above;

“**NDRC**” means the National Development and Reform Commission of the PRC;

a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

“**PRC**” means the People’s Republic of China, which, solely for the purposes of these Conditions, excludes Hong Kong, Macau and Taiwan;

“**PRC Accounting Standards**” means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter, as amended from time to time;

“**PRC Business Day**” means a day other than a Saturday, Sunday or public holiday on which banks are open for business and settlement in Beijing;

“**Registration Deadline**” means the day falling 150 PRC Business Days after the Issue Date;

“**Relevant Indebtedness**” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), but excludes any Indebtedness that is issued in the PRC;

“**SAFE**” means the State Administration of Foreign Exchange of the PRC;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control more than 50 per cent. of the issued share capital or the power to appoint or remove a majority of the members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. Interest

The Notes bear interest from and including 11 November 2025 (the “**Issue Date**”) at the rate of 2.18 per cent. per annum, payable semi-annually in arrear on 11 May and 11 November in each year (each, an “**Interest Payment Date**”) commencing on 11 May 2026, *provided that*, if any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding business day.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the CMU Lodging and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

Any interest accruing under the Notes will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days (the “**day-count fraction**”).

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date are each called an “**Interest Period**”.

Interest in respect of any Note shall be calculated per CNY10,000 in principal amount of the Notes (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

In this Condition 4, the expression “**business day**” means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong and Beijing.

5. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to 11 November 2030, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 15 (*Notices*) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:
 - (i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 7 (*Taxation*)) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer or (as the case may be) the Guarantor shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate in English signed by two directors of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate in English signed by two directors of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

The Trustee shall be entitled (but shall not be obliged) to accept and conclusively rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i)(A) and (i)(B) or (as the case may be) (ii)(A) and (ii)(B) above (without further investigation or inquiry, and without liability to the Noteholders or any other person), in which event they shall be conclusive and binding on the Noteholders, and the Trustee shall be protected and shall have no liability to any Noteholder or any person for so accepting and relying on such certificate or opinion.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption for a Relevant Event:* At any time following the occurrence of a Relevant Event, the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Note on the Put Settlement Date at 101 per cent. of their principal amount (in the case of a redemption for a Change of Control Event) or at 100 per cent. of their principal amount (in the case of a redemption for a Non-Registration Event), in each case together with interest accrued up to, but excluding, such Put Settlement Date. To exercise such rights, the Holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the Specified Office of any Paying Agent (a **"Put Option Notice"**), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Relevant Event, or, in the case of a Change of Control Event only, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 15 (Notices).

The **"Put Settlement Date"** shall be the 14th day (or, if such day is not a business day (as defined in Condition 6(d) (*Payments on business days*)), the next business day immediately following such day) after the expiry of such period as referred to above.

A Put Option Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Option Notices delivered as aforesaid.

The Issuer, failing whom, the Guarantor shall give notice to Noteholders in accordance with Condition 15 (*Notices*) and to the Trustee and the CMU Lodging and Paying Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control Event or five days following the occurrence of a Non-Registration Event, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) (*Redemption for a Relevant Event*).

So long as the Notes are represented by the Global Note Certificate, a Holder's right to redemption of the Notes due to a Relevant Event will be effected in accordance with the rules of the relevant clearing systems.

In this Condition 5(c) (*Redemption for a Relevant Event*):

“Change of Control Event” means the occurrence of one or more of the following events: (A) the Controlling Persons together, directly or indirectly, ceasing to Control the Controlling Shareholder's issued and outstanding share capital; (B) the Controlling Shareholder, directly or indirectly, ceasing to Control the Guarantor; or (C) the Guarantor, directly or indirectly, ceasing to own and control at least 100 per cent. of the issued and outstanding share capital of the Issuer.

For the purpose of (A) above of this definition, SASAC shall be deemed to **“Control”** or have **“Controlled”** the Controlling Shareholder if: (i) it, directly or indirectly (through Subsidiaries or otherwise), owns, acquires or controls 100 per cent. of the voting rights of the issued share capital of the Controlling Shareholder or (ii) the members of the Controlling Shareholder's board of directors or other equivalent or successor governing body are nominated by SASAC; or (iii) it possesses, directly or indirectly, the ability or power to direct the management policies of the Controlling Shareholder. For the purpose of (B) above of this definition, the Controlling Shareholder shall be deemed to **“Control”** or have **“Controlled”** the Guarantor if: (i) it is the single largest controlling shareholder of the Guarantor or (ii) a majority of the members of the Guarantor's Board of Directors or other equivalent or successor governing body are nominated by the Controlling Shareholder or its Subsidiaries; or (iii) it possesses, directly or indirectly, the ability or power to direct the management policies of the Guarantor;

“Controlling Person(s)” mean (A) SASAC, or (B) the central government of the PRC or any other person directly wholly controlled by the central government of the PRC;

“Controlling Shareholder” means China Railway Construction Corporation (中國鐵道建築集團有限公司);

a **“Non-Registration Event”** occurs when the Registration Condition has not been satisfied on or prior to the Registration Deadline;

“Registration Condition” means the receipt by the Trustee of:

- (a) a certificate in substantially the form set out in the Trust Deed signed by any two directors or duly authorised officers of the Guarantor confirming (A) the completion of the registration of the Trust Deed with SAFE as described in Condition 3(c) (*Undertakings in relation to the Guarantee of the Notes*) and (B) no Event of Default has occurred; and
- (b) a certified true copy of the relevant SAFE registration certificate and the particulars of registration;

a **“Relevant Event”** means a Change of Control Event or a Non-Registration Event; and

“SASAC” means the State-owned Assets Supervision and Administration Commission of the State Council of the PRC or its successor.

- (d) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2030, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 15 (Notices) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption.
- (e) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Issuer*) above.
- (f) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, shall not entitle the Holder to vote any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8, 12(a) and 13.
- (g) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.
- (h) *No duty to monitor:* The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Relevant Event, a Potential Event of Default or an Event of Default or any event which could lead to such event has occurred or to monitor the occurrence of any Relevant Event, Potential Event of Default or Event of Default and each of them shall be entitled to assume that no such event has occurred until it has received express written notice to the contrary from the Issuer or the Guarantor, as the case may be, and shall not be liable to the Noteholders or any other person for not doing so.
- (i) *Calculations:* Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto and shall not be liable to the Noteholders or any other person for not doing so.

6. Payments

- (a) *Principal:* Payments of principal and premium (if any) shall be made by wire transfer to a Renminbi registered account maintained by the payee and (i) (in the case of redemption) upon surrender, or (ii) (in the case of part payment only) upon endorsement of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by transfer to a Renminbi registered account maintained by the payee and (i) (in the case of interest payable on redemption) upon surrender, or (ii) (in the case of part payment only) upon endorsement of the relevant Note Certificates at the Specified Office of any Paying Agent.

In this Condition 6, the “registered account” of a Noteholder means the Renminbi account maintained by or on behalf of it with a bank, details of which appear on the Register on the Record Date (as defined below).

- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment (or, if the due date is not a business day, on the next succeeding business day) and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment (or, if the due date is not a business day, on the next succeeding business day). A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this Condition 6(d), “**business day**” means any day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Hong Kong, Beijing and the place in which the specified office of the CMU Lodging and Paying Agent is located.
- (e) *Record date:* Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the close of business in the place of the Registrar’s Specified Office on the fifteenth day before the due date for such payment (the “**Record Date**”).

*For so long as any of the Notes are represented by the Global Note Certificate and the Global Note Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each accountholder who is at the close of business on the Clearing System Business Day immediately prior to the date of payment shown in the records of the Operator, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. For these purposes, a notification from the Operator shall be conclusive evidence of records of the CMU (save in the case of a manifest error). Such payment will discharge the Issuer’s obligations in respect of that payment.*

Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants and the Trustee, the CMU Lodging and Paying Agent and the other Agent shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, the indirect participants or any other person in respect of such payment. Save in the case of final payment, no presentation of the Global Note Certificate shall be required for such purpose.

- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Notes, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

7. Taxation

All payments of principal and interest in respect of the Notes and under the Guarantee of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law.

Where such withholding or deduction is required by law and is made by the Issuer or the Guarantor as a result of the Issuer or the Guarantor being deemed to be a PRC tax resident by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax at the rate applicable on 4 November 2025 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax in excess of the Applicable Rate; or (ii) by or within any Relevant Jurisdiction or any political subdivision thereof or authority therein or thereof having power to tax except the PRC, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts referred to in this Condition 7 (*Taxation*) shall be payable in respect of any Note:

- (i) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (ii) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the CMU Lodging and Paying Agent in accordance with the terms of the Agency Agreement on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders. “**Relevant Jurisdiction**” means Hong Kong, the PRC or any jurisdiction in which the Issuer and the Guarantor, respectively, is incorporated or any jurisdiction of residence for tax purposes of the Issuer and the Guarantor, respectively.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of such principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than any of the Relevant Jurisdictions, references in these Conditions to the Relevant Jurisdiction shall be construed as references to such other jurisdiction.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent or any other person that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

8. Events of Default

If any of the following events (each, an “**Event of Default**”) occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) *Non-payment*: the Issuer or the Guarantor fails to pay any amount of principal in respect of the Notes or the Guarantee of the Notes, as the case may be, on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and, in the case of interest, such default continues for a period of seven days; or
- (b) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy, remains unremedied for seven days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or
- (c) *Cross-Default of Issuer, Guarantor or Subsidiary*:
 - (i) any Indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
 - (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds US\$100 million (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) is rendered against the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries in respect of all or a substantial part of their undertakings, assets or revenue, and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries; or
- (f) *Insolvency, etc.*: (i) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries is appointed (or application for any such appointment is made and such application is not discharged or stayed within 45 days), (iii) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it and such action is not discharged or stayed within 45 days or (iv) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries; or
- (h) *Analogous event*: any event occurs which under the laws of Hong Kong or the PRC has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates and the Trust Deed admissible in evidence in the courts of Hong Kong and the PRC is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes the Trust Deed or the Deed of Guarantee; or
- (k) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (l) *Government intervention*: (i) all or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar and the Transfer Agent having its Specified Office, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or secured to its satisfaction and relieved from responsibility in certain circumstances including without limitation provisions relieving it from taking proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction, and to be paid its costs, expenses, indemnity payments and other amounts in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor or any other Person without being accountable for the same (including any profit therefrom) to the Noteholders or any Person.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer or the Guarantor (as the case may be) in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless they have express written notice from the Issuer or the Guarantor (as the case may be) to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to monitor or ascertain whether any Relevant Event, Event of Default or Potential Event of Default has occurred or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and/or the Guarantor, and the Trustee shall not at any time have any responsibility.

In the exercise of its powers, functions, rights, authorities and discretions under these Conditions, the Deed of Guarantee, the Agency Agreement, the Notes and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and shall not have regard to the interests and will not be responsible for any consequence for individual Holders of Notes as a result of any circumstances particular to individual Holders of Notes, including but not limited to, such Noteholders being connected in any way with a particular territory or taxing jurisdiction or with

regard to such Holders' particular circumstances. The Trustee shall not be entitled to require on behalf of any Noteholders, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided in Condition 7 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

The Trustee may rely without further enquiry or investigation and act on the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant, auditor, surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Guarantor, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee will not be responsible to anyone for any liability occasioned by so acting.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations or responsibilities towards or relationship of agency or trust for or with any of the Noteholders or any third parties.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or CMU lodging and paying agent and additional or successor paying agents and transfer agents; **provided, however, that** the Issuer and the Guarantor shall at all times maintain (a) a CMU lodging and paying agent and a registrar and (b) a paying agent and a transfer agent.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders by the Issuer.

Neither the Trustee nor the Agents shall be required to monitor the occurrence of any Event of Default, Potential Event of Default or of any event under Condition 5 (*Redemption and Purchase*) that may trigger the option of redemption, and shall not be liable to the Issuer, the Guarantor, the Noteholders or any other Person for not doing so.

12. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, the Deed of Guarantee, the Agency Agreement or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes subject that the Trustee shall have been indemnified and/or pre-funded and/or secured to its satisfaction. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the

method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”), may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one-quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than 90 per cent. of the aggregate principal amount of the Notes outstanding and who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

So long as the Notes are represented by the Global Note Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders of not less than 90 per cent. in aggregate principal amount of the Notes for the time being outstanding.

- (b) *Modification and waiver:* The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree to any modification of these Conditions, the Deed of Guarantee or the Trust Deed (in each case, other than in respect of a Reserved Matter) or the Agency Agreement which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or of any of the provisions of the Deed of Guarantee, the Trust Deed or the Agency Agreement (in each case, other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

- (c) *Directions from Noteholders:* Notwithstanding anything to the contrary in these Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by these Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarification of directions from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified and/or provided with security and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in

connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification of any such directions, or in the event that the directions or clarifications sought are not provided by the Noteholders.

13. Enforcement

The Trustee may at any time, at its discretion and without notice, take any such steps and/or actions and/or institute such proceedings as it thinks fit to enforce its rights under the Deed of Guarantee, the Trust Deed and the Agency Agreement and in respect of the Notes, but it shall not be bound to do so unless:

- (i) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified and/or prefunded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14. Further Issues

Subject to compliance with Conditions 3(b) and 3(c), the Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing for the NDRC Post-issue Filing and the Cross-Border Security Registration) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee (acting on an Extraordinary Resolution), create and issue other series of notes having the benefit of the Trust Deed. Any further notes consolidated and forming a single series with the outstanding Notes shall be constituted by a deed supplemental to the Trust Deed and be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee or an additional deed of guarantee.

15. Notices

Notices to the Noteholders will be sent to them by (i) uninsured mail at their respective addresses on the Register and deemed to have been given on the fourth day after the date of mailing or (ii) electronic communication, when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication.

So long as the Notes are represented by the Global Note Certificate and so long as the Global Note Certificate is held on behalf of the Operator, any notice to the Noteholders shall be validly given by the delivery of the relevant notice to the accountholder via CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interest in the Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

16. Currency Indemnity

If any sum due from the Issuer or the Guarantor in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and the Guarantor shall jointly and severally indemnify the Trustee and each Holder, on the written demand of the Trustee or such Holder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Holder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

17. Governing Law and Jurisdiction

- (a) *Governing law*: The Notes, the Deed of Guarantee, the Agency Agreement and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *Jurisdiction*: Each of the Issuer and the Guarantor has in the Trust Deed and the Agency Agreement and the Guarantor has in the Deed of Guarantee (i) agreed for the benefit of the Trustee and the Noteholders that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes) and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (c) *Consent to enforcement etc.*: Each of the Issuer and the Guarantor irrevocably and generally consents in respect of any proceedings relating to a Dispute (“**Proceedings**”) anywhere to the giving of any relief or remedy against it or the issue and service on it of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any of its property or assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.
- (d) *Waiver of Immunity*: If the Issuer or the Guarantor or any of their respective property or assets is or are entitled in any jurisdiction to any immunity from service of process or of other documents relating to Proceedings, or to any immunity from jurisdiction, suit, judgment, execution, attachment (whether before judgment, in aid of execution or otherwise) or other legal process, this is irrevocably waived to the fullest extent permitted by the law of that jurisdiction. Each of the Issuer and the Guarantor also irrevocably agrees not to claim any such immunity for itself or its property or assets.
- (e) *Service of Process*: Pursuant to the Trust Deed and the Deed of Guarantee, the Guarantor has irrevocably agreed to accept service of process in any Proceedings in Hong Kong at the Guarantor’s principal place of business in Hong Kong (currently at 23/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong) based on any of these Conditions, the Notes, the Trust Deed, the Agency Agreement or the Guarantee of the Notes. If for any reason the Guarantor shall cease to have an office in Hong Kong, the Guarantor shall forthwith appoint an agent for service of process in Hong Kong and deliver to the Trustee a copy of the agent’s acceptance of that appointment within 30 days.

TERMS AND CONDITIONS OF THE 2035 NOTES

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the 2035 Notes, substantially as they will appear on the reverse of each of the individual note certificates evidencing the 2035 Notes.

The CNY1,000,000,000 2.60 per cent. guaranteed notes due 2035 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) to be consolidated and forming a single series therewith) of CRCC Huayuan Limited (鐵建華源有限公司) (the “**Issuer**”) was authorised by a resolution of the Board of Directors (as defined below) of the Issuer passed on 4 November 2025. The Notes are guaranteed by China Railway Construction Corporation Limited (the “**Guarantor**”) pursuant to a deed of guarantee dated 11 November 2025 (the “**Deed of Guarantee**”). The giving of the Deed of Guarantee was authorised by a resolution of the Board of Directors of the Guarantor on 27 and 28 March 2025 and a resolution of the shareholders of the Guarantor dated 20 June 2025. The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 11 November 2025 (as amended, restated, replaced or supplemented from time to time, the “**Trust Deed**”) between the Issuer, the Guarantor and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 11 November 2025 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”, which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Notes), the transfer agent named therein (the “**Transfer Agent**”, which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes), the paying agent named therein (together with the CMU Lodging and Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. References herein to the “**Agents**” are to the Registrar, the CMU Lodging and Paying Agent, the Transfer Agents and the Paying Agents and any reference to an “**Agent**” is to any one of them. Certain provisions of these Conditions are summaries of the Deed of Guarantee, the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Guarantee and the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Copies of the Deed of Guarantee, the Trust Deed and the Agency Agreement are available for inspection upon prior written request and satisfactory proof of holding by Noteholders during normal business hours (being 9:00 am (Hong Kong time) to 3:00 pm (Hong Kong time)) at the specified office for the time being of the Trustee, being at the date hereof 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below. All capitalised terms that are not defined in the Conditions have the same meanings given to them in the Trust Deed.

1. Form, Denomination, Status and Guarantee

- (a) *Form and denomination*: The Notes are in registered form in the denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each, an “**Authorised Denomination**”).
- (b) *Status of the Notes*: The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least

pari passu with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

- (c) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This guarantee (the “**Guarantee of the Notes**”) constitutes a direct, general, unconditional, unsubordinated and (subject to Condition 3(a) (*Negative Pledge*)) unsecured obligation of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*Upon issue, the Notes will be evidenced by a global note certificate (the “**Global Note Certificate**”) substantially in the form scheduled to the Trust Deed. The Global Note Certificate will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as operator (the “**Operator**”) of the Central Moneymarkets Unit Service (the “**CMU**”), and will be exchangeable for definitive Note Certificates only in the circumstances set out therein. These Conditions are modified by certain provisions contained in the Global Note Certificate while any of the Notes are represented by the Global Note Certificate. See “Summary of Provisions Relating to the Notes in Global Form”.*

*For so long as any of the Notes are represented by the Global Note Certificate, each person who is for the time being shown in the records of the Operator as the holder of a particular principal amount of Notes (the “**accountholder**”) (in which regard any certificate or other document issued by the Operator as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the CMU Lodging and Paying Agent, the Registrar, the Transfer Agent, the other Agents and the Operator as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Guarantor, the Trustee, the CMU Lodging and Paying Agent, the Registrar, the Transfer Agent, the other Agents and the Operator solely in the registered holder of the Global Note Certificate in accordance with and subject to its terms (and the expressions “**Noteholder**” and (in relation to a Note) “**holder**” and related expressions shall be construed accordingly). Notwithstanding the above, if the Global Note Certificate is held by or on behalf of the CMU, any payments that are made in respect of the Notes represented by the Global Note Certificate shall be made to the respective accountholders.*

2. Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the “**Register**”) in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no

person shall be liable for so treating such Holder. Except as otherwise provided for in the Trust Deed, no person shall have any right to enforce any term or condition of the Notes, the Deed of Guarantee or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

- (c) *Transfers*: Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.

Transfers of interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing systems.

- (d) *Registration and delivery of Note Certificates*: Within five business days of receipt by the Registrar or (as the case may be) any Transfer Agent of a duly completed form of transfer, the surrender of a Note Certificate and provision of such evidence as the Registrar or (as the case may be) such Transfer Agent may require in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured mail to the address specified for the purpose by such relevant Holder. In this Condition 2 (*Register, Title and Transfers*), “**business day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

Except in the limited circumstances described in the Global Note Certificate, owners of interests in the Notes represented by the Global Note Certificate will not be entitled to receive physical delivery of definitive Note Certificates in respect of their individual holdings of the Notes. The Notes are not issuable in bearer form.

- (e) *No charge*: The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such payment or indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods*: Noteholders may not require transfers to be registered:
 - (i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes; or
 - (ii) after a Put Option Notice (as defined in Condition 5(c) (*Redemption for a Relevant Event*)) has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for a Relevant Event*); or

- (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(e)).
- (g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Noteholder upon prior written request and proof of holding and identity to the satisfaction of the Registrar at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday other than public holidays).

3. Negative Pledge and Other Covenants

- (a) *Negative Pledge:* So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of the Guarantor's Material Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.
- (b) *Notification to NDRC:* The Guarantor shall:
 - (i) file or cause to be filed with the NDRC the requisite information and documents within the prescribed time period in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號)), the “**NDRC Foreign Debt Measures**”) issued by the NDRC and effective from 10 February 2023, and any implementation rules as issued by the NDRC from time to time (the “**NDRC Post-issue Filing**”) and comply with all applicable PRC laws and regulations in connection with the Notes; and
 - (ii) within 10 PRC Business Days after submission of such NDRC Post-issue Filing (A) provide the Trustee with a certificate in English signed by any Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the submission of the NDRC Post-issue Filing and (B) give notice to the Noteholders in accordance with Condition 15 (*Notices*) of the same.

The Trustee may rely conclusively on such certificate and shall have no obligation or duty to monitor or ensure the completion of (or otherwise assist with) the NDRC Post-issue Filing on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any certificate, confirmation or other documents in relation to or in connection with the NDRC Post-issue Filing or to translate or procure that any document is translated into English or to give notice to the Noteholders confirming the submission of the NDRC Post-issue Filing, and shall not be liable to the Noteholders or any other person for not doing so.

- (c) *Undertakings in relation to the Guarantee of the Notes:* The Guarantor shall:
- (i) file or cause to be filed with SAFE for the registration of the Deed of Guarantee in accordance with, and within the time period prescribed by, the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014 (the “**Cross-Border Security Registration**”), and any implementation rules as issued by SAFE from time to time;
 - (ii) use its best endeavours to complete the Cross-Border Security Registration and obtain a registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE on or before the Registration Deadline;
 - (iii) comply with all applicable PRC laws and regulations in relation to the provision of the Guarantee of the Notes; and
 - (iv) within 10 PRC Business Days after receipt of registration record (or any other document evidencing the completion of registration issued by SAFE) from SAFE:
 - (A) provide the Trustee with a certificate in substantially the form set forth in the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the Cross-Border Security Registration, together with a certified true copy of the relevant SAFE registration record (or any other document evidencing the completion of registration issued by SAFE) relating to the Cross-Border Security Registration certified by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor (collectively, the “**Registration Documents**”); and
 - (B) give notice to the Noteholders (in accordance with Condition 15 (*Notices*)) confirming the completion of the Cross-Border Security Registration.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation or duty to assist with, monitor or ensure the registration of (or otherwise assist with) the Deed of Guarantee with SAFE on or before the Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Cross-Border Security Registration and/or the Registration Documents and/or to translate or procure that any Registration Documents is translated into English or to give notice to the Noteholders confirming the completion of the Cross-Border Security Registration, and shall not be liable to Noteholders or any other person for not doing so.

- (d) *Financial Statements:* So long as any Note remains outstanding, the Guarantor shall send to the Trustee:
- (i) as soon as practicable after their date of publication and in any event not more than 120 calendar days after the end of each financial year, one copy of the audited annual financial statements of the Group (audited by an internationally recognised firm of independent accountants) prepared and presented in accordance with PRC Accounting Standards, and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) an internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by an internationally recognised firm of independent accountants, together with a certificate signed by a director of the Guarantor certifying that such translation is complete and accurate; and

- (ii) as soon as practicable after their date of publication and in any event not more than 60 calendar days after the end of each semi-annual financial period, one copy of the semi-annual financial statements of the Group (reviewed by an internationally recognised firm of independent accountants) prepared and presented in accordance with PRC Accounting Standards, and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) an internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by an internationally recognised firm of independent accountants, together with a certificate signed by a director of the Guarantor certifying that such translation is complete and accurate.

The Trustee shall not be required to review any financial statements or any other financial report furnished or delivered to it as contemplated in this Condition 3(d) and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English language translation of the same or to investigate or verify the accuracy of any translation of the same, and the Trustee shall not be liable to any Noteholder or any other person for not doing so.

- (e) *Change of Financial Year:* So long as any Note remains outstanding, the Issuer and the Guarantor shall inform the Trustee in writing if there is any change in the financial year-end of the Issuer or, as the case may be, the Guarantor.
- (f) *Information in relation to Event of Default or Potential Event of Default:* So long as any Note remains outstanding, the Issuer and the Guarantor shall make available to the Trustee at the same time the Guarantor provides the audited annual financial statements of the Group pursuant to Condition 3(d), a certificate in English of each of the Issuer and the Guarantor signed by any two of their respective directors, which shall be substantially in the form provided in the Trust Deed, stating that as of the end of the latest financial year of the Issuer or the Guarantor, as the case may be, (A) no Event of Default or Potential Event of Default (as defined in the Trust Deed) had occurred since the certification date of the last such certificate or (if there has been no such certificate previously) the Issue Date, or, if such an event had occurred, giving details of it and the action which the Issuer or the Guarantor proposes to take with respect thereto and (B) the Issuer or the Guarantor, as the case may be, has complied with all of the covenants that the Issuer or the Guarantor, as the case may be, is bound by under the Conditions, the Trust Deed, the Agency Agreement and the Deed of Guarantee, or, if such non-compliance had occurred, giving details of it.

The Trustee shall be entitled to rely conclusively without investigation upon each such certificate given as contemplated in these Conditions and the Trust Deed and shall not be liable to the Issuer, the Guarantor, any Noteholder or any other person for so relying.

In these Conditions:

“Board of Directors” means the board of directors elected or appointed by the relevant shareholders of the Issuer or the Guarantor, as applicable, to manage the business of the Issuer or Guarantor, or any committee of such board duly authorised to take the action purported to be taken by such committee;

“Group” means the Guarantor and its Subsidiaries, taken as a whole;

“Guarantee” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“Macau” means the Macau Special Administrative Region of the People’s Republic of China;

“Material Subsidiary” means any Subsidiary of the Guarantor:

- (a) whose total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as shown by its latest audited income statement is at least ten per cent. of the consolidated total revenue as shown by the latest published audited income statement of the Guarantor and its consolidated Subsidiaries; or
- (b) whose gross profits (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited income statement, is at least ten per cent. of the consolidated gross profit as shown by the latest published audited consolidated income statement of the Guarantor and its consolidated Subsidiaries, including for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (c) whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) as shown by its latest audited balance sheet, are at least ten per cent. of the consolidated net assets of the Guarantor and its Subsidiaries as shown by the latest published audited

consolidated balance sheet of the Guarantor and its Subsidiaries, including the investment of the Guarantor and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of such Guarantor and of associated companies and after adjustment for minority interests,

provided that, in relation to paragraphs (a), (b) and (c) above:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor and its Subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
 - (ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, total revenue, gross profit or net assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by or on behalf of the Guarantor;
 - (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its net assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by or on behalf of the Guarantor; and
 - (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, *whereupon* the Material Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall immediately become a Material Subsidiary, **provided that** on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, whether or not such transferor Subsidiary or transferee Subsidiary would continue to be a Material Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above;

“**NDRC**” means the National Development and Reform Commission of the PRC;

a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

“**PRC**” means the People’s Republic of China, which, solely for the purposes of these Conditions, excludes Hong Kong, Macau and Taiwan;

“**PRC Accounting Standards**” means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter, as amended from time to time;

“**PRC Business Day**” means a day other than a Saturday, Sunday or public holiday on which banks are open for business and settlement in Beijing;

“**Registration Deadline**” means the day falling 150 PRC Business Days after the Issue Date;

“**Relevant Indebtedness**” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), but excludes any Indebtedness that is issued in the PRC;

“**SAFE**” means the State Administration of Foreign Exchange of the PRC;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control more than 50 per cent. of the issued share capital or the power to appoint or remove a majority of the members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

4. Interest

The Notes bear interest from and including 11 November 2025 (the “**Issue Date**”) at the rate of 2.60 per cent. per annum, payable semi-annually in arrear on 11 May and 11 November in each year (each, an “**Interest Payment Date**”) commencing on 11 May 2026, *provided that*, if any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event it shall be brought forward to the immediately preceding business day.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the CMU Lodging and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

Any interest accruing under the Notes will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days (the “**day-count fraction**”).

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date are each called an “**Interest Period**”.

Interest in respect of any Note shall be calculated per CNY10,000 in principal amount of the Notes (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

In this Condition 4, the expression “**business day**” means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong and Beijing.

5. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to 11 November 2035, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 15 (*Notices*) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:
 - (i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 7 (*Taxation*)) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 4 November 2025; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer or (as the case may be) the Guarantor shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate in English signed by two directors of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate in English signed by two directors of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

The Trustee shall be entitled (but shall not be obliged) to accept and conclusively rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i)(A) and (i)(B) or (as the case may be) (ii)(A) and (ii)(B) above (without further investigation or inquiry, and without liability to the Noteholders or any other person), in which event they shall be conclusive and binding on the Noteholders, and the Trustee shall be protected and shall have no liability to any Noteholder or any person for so accepting and relying on such certificate or opinion.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption for a Relevant Event:* At any time following the occurrence of a Relevant Event, the Holder of any Note will have the right, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Note on the Put Settlement Date at 101 per cent. of their principal amount (in the case of a redemption for a Change of Control Event) or at 100 per cent. of their principal amount (in the case of a redemption for a Non-Registration Event), in each case together with interest accrued up to, but excluding, such Put Settlement Date. To exercise such rights, the Holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the Specified Office of any Paying Agent (a **"Put Option Notice"**), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Relevant Event, or, in the case of a Change of Control Event only, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 15 (Notices).

The **"Put Settlement Date"** shall be the 14th day (or, if such day is not a business day (as defined in Condition 6(d) (*Payments on business days*)), the next business day immediately following such day) after the expiry of such period as referred to above.

A Put Option Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Option Notices delivered as aforesaid.

The Issuer, failing whom, the Guarantor shall give notice to Noteholders in accordance with Condition 15 (*Notices*) and to the Trustee and the CMU Lodging and Paying Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control Event or five days following the occurrence of a Non-Registration Event, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) (*Redemption for a Relevant Event*).

So long as the Notes are represented by the Global Note Certificate, a Holder's right to redemption of the Notes due to a Relevant Event will be effected in accordance with the rules of the relevant clearing systems.

In this Condition 5(c) (*Redemption for a Relevant Event*):

“Change of Control Event” means the occurrence of one or more of the following events: (A) the Controlling Persons together, directly or indirectly, ceasing to Control the Controlling Shareholder's issued and outstanding share capital; (B) the Controlling Shareholder, directly or indirectly, ceasing to Control the Guarantor; or (C) the Guarantor, directly or indirectly, ceasing to own and control at least 100 per cent. of the issued and outstanding share capital of the Issuer.

For the purpose of (A) above of this definition, SASAC shall be deemed to **“Control”** or have **“Controlled”** the Controlling Shareholder if: (i) it, directly or indirectly (through Subsidiaries or otherwise), owns, acquires or controls 100 per cent. of the voting rights of the issued share capital of the Controlling Shareholder or (ii) the members of the Controlling Shareholder's board of directors or other equivalent or successor governing body are nominated by SASAC; or (iii) it possesses, directly or indirectly, the ability or power to direct the management policies of the Controlling Shareholder. For the purpose of (B) above of this definition, the Controlling Shareholder shall be deemed to **“Control”** or have **“Controlled”** the Guarantor if: (i) it is the single largest controlling shareholder of the Guarantor or (ii) a majority of the members of the Guarantor's Board of Directors or other equivalent or successor governing body are nominated by the Controlling Shareholder or its Subsidiaries; or (iii) it possesses, directly or indirectly, the ability or power to direct the management policies of the Guarantor;

“Controlling Person(s)” mean (A) SASAC, or (B) the central government of the PRC or any other person directly wholly controlled by the central government of the PRC;

“Controlling Shareholder” means China Railway Construction Corporation (中國鐵道建築集團有限公司);

a **“Non-Registration Event”** occurs when the Registration Condition has not been satisfied on or prior to the Registration Deadline;

“Registration Condition” means the receipt by the Trustee of:

- (a) a certificate in substantially the form set out in the Trust Deed signed by any two directors or duly authorised officers of the Guarantor confirming (A) the completion of the registration of the Trust Deed with SAFE as described in Condition 3(c) (*Undertakings in relation to the Guarantee of the Notes*) and (B) no Event of Default has occurred; and
- (b) a certified true copy of the relevant SAFE registration certificate and the particulars of registration;

a **“Relevant Event”** means a Change of Control Event or a Non-Registration Event; and

“SASAC” means the State-owned Assets Supervision and Administration Commission of the State Council of the PRC or its successor.

- (d) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer in whole, but not in part at any time on or after 11 October 2035, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 15 (Notices) and in writing to the Trustee and the CMU Lodging and Paying Agent at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption.
- (e) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Issuer*) above.
- (f) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, shall not entitle the Holder to vote any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8, 12(a) and 13.
- (g) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.
- (h) *No duty to monitor:* The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Relevant Event, a Potential Event of Default or an Event of Default or any event which could lead to such event has occurred or to monitor the occurrence of any Relevant Event, Potential Event of Default or Event of Default and each of them shall be entitled to assume that no such event has occurred until it has received express written notice to the contrary from the Issuer or the Guarantor, as the case may be, and shall not be liable to the Noteholders or any other person for not doing so.
- (i) *Calculations:* Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto and shall not be liable to the Noteholders or any other person for not doing so.

6. Payments

- (a) *Principal:* Payments of principal and premium (if any) shall be made by wire transfer to a Renminbi registered account maintained by the payee and (i) (in the case of redemption) upon surrender, or (ii) (in the case of part payment only) upon endorsement of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by transfer to a Renminbi registered account maintained by the payee and (i) (in the case of interest payable on redemption) upon surrender, or (ii) (in the case of part payment only) upon endorsement of the relevant Note Certificates at the Specified Office of any Paying Agent.

In this Condition 6, the “registered account” of a Noteholder means the Renminbi account maintained by or on behalf of it with a bank, details of which appear on the Register on the Record Date (as defined below).

- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment (or, if the due date is not a business day, on the next succeeding business day) and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment (or, if the due date is not a business day, on the next succeeding business day). A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this Condition 6(d), “**business day**” means any day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Hong Kong, Beijing and the place in which the specified office of the CMU Lodging and Paying Agent is located.
- (e) *Record date:* Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the close of business in the place of the Registrar’s Specified Office on the fifteenth day before the due date for such payment (the “**Record Date**”).

*For so long as any of the Notes are represented by the Global Note Certificate and the Global Note Certificate is held on behalf of the Operator, the CMU Lodging and Paying Agent will make payments to the Operator who will make payments to each accountholder who is at the close of business on the Clearing System Business Day immediately prior to the date of payment shown in the records of the Operator, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. For these purposes, a notification from the Operator shall be conclusive evidence of records of the CMU (save in the case of a manifest error). Such payment will discharge the Issuer’s obligations in respect of that payment.*

Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants and the Trustee, the CMU Lodging and Paying Agent and the other Agent shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, the indirect participants or any other person in respect of such payment. Save in the case of final payment, no presentation of the Global Note Certificate shall be required for such purpose.

- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Notes, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

7. Taxation

All payments of principal and interest in respect of the Notes and under the Guarantee of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law.

Where such withholding or deduction is required by law and is made by the Issuer or the Guarantor as a result of the Issuer or the Guarantor being deemed to be a PRC tax resident by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax at the rate applicable on 4 November 2025 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event the Issuer or the Guarantor is required to make a deduction or withholding (i) by or on behalf of the PRC or any political subdivision thereof or authority therein or thereof having power to tax in excess of the Applicable Rate; or (ii) by or within any Relevant Jurisdiction or any political subdivision thereof or authority therein or thereof having power to tax except the PRC, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts referred to in this Condition 7 (*Taxation*) shall be payable in respect of any Note:

- (i) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (ii) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the CMU Lodging and Paying Agent in accordance with the terms of the Agency Agreement on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders. “**Relevant Jurisdiction**” means Hong Kong, the PRC or any jurisdiction in which the Issuer and the Guarantor, respectively, is incorporated or any jurisdiction of residence for tax purposes of the Issuer and the Guarantor, respectively.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of such principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than any of the Relevant Jurisdictions, references in these Conditions to the Relevant Jurisdiction shall be construed as references to such other jurisdiction.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Noteholders or any other person to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent or any other person that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

8. Events of Default

If any of the following events (each, an “**Event of Default**”) occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) *Non-payment:* the Issuer or the Guarantor fails to pay any amount of principal in respect of the Notes or the Guarantee of the Notes, as the case may be, on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and, in the case of interest, such default continues for a period of seven days; or
- (b) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy, remains unremedied for seven days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or
- (c) *Cross-Default of Issuer, Guarantor or Subsidiary:*
 - (i) any Indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
 - (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds US\$100 million (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) is rendered against the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries in respect of all or a substantial part of their undertakings, assets or revenue, and continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries; or
- (f) *Insolvency, etc.*: (i) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries is appointed (or application for any such appointment is made and such application is not discharged or stayed within 45 days), (iii) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it and such action is not discharged or stayed within 45 days or (iv) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries; or
- (h) *Analogous event*: any event occurs which under the laws of Hong Kong or the PRC has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up etc.*) above; or
- (i) *Failure to take action, etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Note Certificates and the Trust Deed admissible in evidence in the courts of Hong Kong and the PRC is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes the Trust Deed or the Deed of Guarantee; or
- (k) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (l) *Government intervention*: (i) all or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer, the Guarantor or any of the Guarantor's Material Subsidiaries is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar and the Transfer Agent having its Specified Office, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or pre-funded and/or secured to its satisfaction and relieved from responsibility in certain circumstances including without limitation provisions relieving it from taking proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction, and to be paid its costs, expenses, indemnity payments and other amounts in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor or any other Person without being accountable for the same (including any profit therefrom) to the Noteholders or any Person.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer or the Guarantor (as the case may be) in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless they have express written notice from the Issuer or the Guarantor (as the case may be) to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to monitor or ascertain whether any Relevant Event, Event of Default or Potential Event of Default has occurred or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and/or the Guarantor, and the Trustee shall not at any time have any responsibility.

In the exercise of its powers, functions, rights, authorities and discretions under these Conditions, the Deed of Guarantee, the Agency Agreement, the Notes and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and shall not have regard to the interests and will not be responsible for any consequence for individual Holders of Notes as a result of any circumstances particular to individual Holders of Notes, including but not limited to, such Noteholders being connected in any way with a particular territory or taxing jurisdiction or with

regard to such Holders' particular circumstances. The Trustee shall not be entitled to require on behalf of any Noteholders, nor shall any Noteholder be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided in Condition 7 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

The Trustee may rely without further enquiry or investigation and act on the advice, opinion or report of or any information obtained from any lawyer, valuer, accountant, auditor, surveyor, banker, broker, auctioneer, or other expert (whether obtained by the Issuer, the Guarantor, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information). The Trustee will not be responsible to anyone for any liability occasioned by so acting.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations or responsibilities towards or relationship of agency or trust for or with any of the Noteholders or any third parties.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or CMU lodging and paying agent and additional or successor paying agents and transfer agents; **provided, however, that** the Issuer and the Guarantor shall at all times maintain (a) a CMU lodging and paying agent and a registrar and (b) a paying agent and a transfer agent.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders by the Issuer.

Neither the Trustee nor the Agents shall be required to monitor the occurrence of any Event of Default, Potential Event of Default or of any event under Condition 5 (*Redemption and Purchase*) that may trigger the option of redemption, and shall not be liable to the Issuer, the Guarantor, the Noteholders or any other Person for not doing so.

12. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, the Deed of Guarantee, the Agency Agreement or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes subject that the Trustee shall have been indemnified and/or pre-funded and/or secured to its satisfaction. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the

method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the terms of the Guarantee of the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”), may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one-quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than 90 per cent. of the aggregate principal amount of the Notes outstanding and who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

So long as the Notes are represented by the Global Note Certificate, Extraordinary Resolution includes a consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of all the Noteholders of not less than 90 per cent. in aggregate principal amount of the Notes for the time being outstanding.

- (b) *Modification and waiver:* The Trustee may (but shall not be obliged to), without the consent of the Noteholders, agree to any modification of these Conditions, the Deed of Guarantee or the Trust Deed (in each case, other than in respect of a Reserved Matter) or the Agency Agreement which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or of any of the provisions of the Deed of Guarantee, the Trust Deed or the Agency Agreement (in each case, other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be binding on the Noteholders and unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

- (c) *Directions from Noteholders:* Notwithstanding anything to the contrary in these Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by these Conditions, the Deed of Guarantee, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions or clarification of directions from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified and/or provided with security and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in

connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarification of any such directions, or in the event that the directions or clarifications sought are not provided by the Noteholders.

13. Enforcement

The Trustee may at any time, at its discretion and without notice, take any such steps and/or actions and/or institute such proceedings as it thinks fit to enforce its rights under the Deed of Guarantee, the Trust Deed and the Agency Agreement and in respect of the Notes, but it shall not be bound to do so unless:

- (i) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified and/or prefunded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14. Further Issues

Subject to compliance with Conditions 3(b) and 3(c), the Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the timing for the NDRC Post-issue Filing and the Cross-Border Security Registration) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee (acting on an Extraordinary Resolution), create and issue other series of notes having the benefit of the Trust Deed. Any further notes consolidated and forming a single series with the outstanding Notes shall be constituted by a deed supplemental to the Trust Deed and be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee or an additional deed of guarantee.

15. Notices

Notices to the Noteholders will be sent to them by (i) uninsured mail at their respective addresses on the Register and deemed to have been given on the fourth day after the date of mailing or (ii) electronic communication, when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication.

So long as the Notes are represented by the Global Note Certificate and so long as the Global Note Certificate is held on behalf of the Operator, any notice to the Noteholders shall be validly given by the delivery of the relevant notice to the accountholder via CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interest in the Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

16. Currency Indemnity

If any sum due from the Issuer or the Guarantor in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and the Guarantor shall jointly and severally indemnify the Trustee and each Holder, on the written demand of the Trustee or such Holder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Holder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

17. Governing Law and Jurisdiction

- (a) *Governing law:* The Notes, the Deed of Guarantee, the Agency Agreement and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *Jurisdiction:* Each of the Issuer and the Guarantor has in the Trust Deed and the Agency Agreement and the Guarantor has in the Deed of Guarantee (i) agreed for the benefit of the Trustee and the Noteholders that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes) and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (c) *Consent to enforcement etc.:* Each of the Issuer and the Guarantor irrevocably and generally consents in respect of any proceedings relating to a Dispute (“**Proceedings**”) anywhere to the giving of any relief or remedy against it or the issue and service on it of any process in connection with those Proceedings including, without limitation, the making, enforcement or execution against any of its property or assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those Proceedings.
- (d) *Waiver of Immunity:* If the Issuer or the Guarantor or any of their respective property or assets is or are entitled in any jurisdiction to any immunity from service of process or of other documents relating to Proceedings, or to any immunity from jurisdiction, suit, judgment, execution, attachment (whether before judgment, in aid of execution or otherwise) or other legal process, this is irrevocably waived to the fullest extent permitted by the law of that jurisdiction. Each of the Issuer and the Guarantor also irrevocably agrees not to claim any such immunity for itself or its property or assets.
- (e) *Service of Process:* Pursuant to the Trust Deed and the Deed of Guarantee, the Guarantor has irrevocably agreed to accept service of process in any Proceedings in Hong Kong at the Guarantor’s principal place of business in Hong Kong (currently at 23/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong) based on any of these Conditions, the Notes, the Trust Deed, the Agency Agreement or the Guarantee of the Notes. If for any reason the Guarantor shall cease to have an office in Hong Kong, the Guarantor shall forthwith appoint an agent for service of process in Hong Kong and deliver to the Trustee a copy of the agent’s acceptance of that appointment within 30 days.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

Each Global Note Certificate contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes of the relevant series set out in this Offering Circular. The following is a summary of certain of those provisions.

Terms defined in the Terms and Conditions of the Notes of the relevant series set out in this Offering Circular have the meaning in the paragraphs below.

Each series of the Notes will be issued in registered form and represented by a Global Note Certificate registered in the name of, and lodged with a sub-custodian for, the HKMA, in its capacity as Operator of the CMU.

PAYMENT

Under each Global Note Certificate, the Issuer, for value received, will promise to pay to the holder of the relevant series of the Notes represented by the Global Note Certificate of such series (subject to surrender of the Global Note Certificate if no further payment falls to be made in respect of such Notes) on such date or dates as the same may become payable in accordance with the Terms and Conditions of the relevant series of the Notes (or on such earlier date as the amount payable upon redemption under the Terms and Conditions may become payable in accordance with the Terms and Conditions of the relevant series of the Notes) the amount payable upon redemption under the Terms and Conditions in respect of the relevant series of the Notes represented by the Global Note Certificate and to pay interest in respect of such Notes from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Terms and Conditions of the relevant series of the Notes, save that the calculation is made in respect of the total aggregate amount of the Notes of the relevant series represented by the Global Note Certificate of that series, together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions of the Notes of the relevant series, in accordance with the Terms and Conditions of the relevant series of the Notes.

Payments of interest, premium (if any) or principal will be made to the CMU which will credit the same in accordance with the CMU Rules (as defined in the Trust Deed) to the person(s) shown in the records of the Operator as the holder of a particular principal amount of Notes (each an “**accountholder**”) at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a day on which the CMU is operating and open for business. Payment made in accordance with the CMU Rules as set out in the immediately preceding sentence shall discharge the obligations of the Issuer in respect of that payment.

Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants, and the Trustee and the CMU Lodging and Paying Agent and other Agents shall have no liability to the Noteholders, the Issuer, the Guarantor, the CMU participants, the indirect participants or any other person in respect of such payment.

For the purposes of each Global Note Certificate, (a) the holder of each series of the Notes represented by the relevant Global Note Certificate is bound by all the provisions of the relevant Trust Deed and those provisions applicable to it of the relevant Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date of the Global Note Certificate, entered in the Register as the holder of the Notes represented by the Global Note Certificate of the relevant series, (c) the Global Note Certificates are evidence of entitlement only, (d) title to the Notes represented by the Global Note Certificate of the relevant series passes only on due registration on the Register, and (e) only the holder of the Notes represented by the Global Note Certificate of the relevant series is entitled to payments in respect of the Notes represented by the Global Note Certificate of such series.

EXCHANGE OF NOTES REPRESENTED BY THE GLOBAL NOTE CERTIFICATE

Owners of interests in each series of the Notes in respect of which a Global Note Certificate is issued will be entitled to have title to the Notes of the relevant series registered in their names and to receive individual definitive certificates if the CMU or any other clearing system selected by the Issuer and the Guarantor and approved in writing by the Trustee, the CMU Lodging and Paying Agent and the Registrar through which the relevant series of the Notes are held (an “**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will at its own expense cause sufficient individual definitive certificates to be executed and delivered to the Registrar for completion, authentication (where the Notes represented by the Global Note Certificates are cleared through the CMU, acting on behalf of the CMU Lodging and Paying Agent) and despatch to the relevant holders of the Notes of the relevant series. A person with an interest in the relevant series of the Notes in respect of which a Global Note Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive certificates.

NOTICES

So long as each series of the Notes are represented by a Global Note Certificate and such Global Note Certificate is held on behalf of the Operator, notices to holders of that series of the Notes shall be validly given by delivery of the relevant notice to each relevant accountholder via the CMU. Indirect participants will have to rely on the CMU participants (through whom they hold the Notes, in the form of interests in the Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants. Except that, so long as the Notes are listed and/or admitted to trading, notices required to be given to Noteholders pursuant to the Terms and Conditions of the relevant series of the Notes shall also be published by the Issuer (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the relevant series of the Notes are listed and/or admitted to trading.

MEETINGS

For the purposes of any meeting of Noteholders of each series of Notes, the holder of the Notes of that series represented by a Global Note Certificate shall be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each CNY10,000 in principal amount of Notes of the series for which the Global Note Certificate is issued.

NOTEHOLDER’S REDEMPTION

The Noteholder’s redemption option in Condition 5(c) (*Redemption for a Relevant Event*) of the Terms and Conditions of each series of the Notes may be exercised by the holder of the Global Note Certificate of the relevant series of the Notes giving notice to the CMU Lodging and Paying Agent of the principal amount of such Notes in respect of which the option is exercised within the time limits specified in the Terms and Conditions of the relevant series of the Notes, in accordance with the rules and procedures of the CMU or any Alternative Clearing System, and stating the principal amount of such Notes in respect of which the option is exercised.

ISSUER'S REDEMPTION

The option of the Issuer provided for in Condition 5(b) (*Redemption for tax reasons*) and Condition 5(d) (*Redemption at the option of the Issuer*) of the Terms and Conditions of each series of the Notes shall be exercised by the Issuer giving notice to the Noteholders of the relevant series of the Notes within the time limits set out in and containing the information required by that Condition.

TRANSFERS

Transfers of beneficial interests in each series of the Notes will be effected through the records of the CMU or any Alternative Clearing System and their respective participants in accordance with the rules and procedures of the CMU or any Alternative Clearing System and their respective direct and indirect participants.

CANCELLATION

Cancellation of any Note represented by a Global Note Certificate by the Issuer following its redemption or purchase by the Issuer or any of its Subsidiaries will be effected by a reduction in the principal amount of the relevant series of the Notes in the register of Noteholders of the relevant series of Notes and the Global Note Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the schedule to the Global Note Certificate.

TRUSTEE'S POWERS

In considering the interests of Noteholders of the relevant series while a Global Note Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the CMU or the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Notes of the relevant series and (b) consider such interests on the basis that such accountholders were the holders of the Notes of the relevant series in respect of which the Global Note Certificate is issued.

The Global Note Certificates shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

USE OF PROCEEDS

The net proceeds from the offering of all series of the Notes, after the deduction of fees, commissions and expenses payable in connection with the offering of each series of the Notes, will be approximately CNY2,997.0 million for the 2030 Notes and CNY999.0 million for the 2035 Notes. The Issuer intends to use the net proceeds for repayment of debts due and replenishment of working capital for overseas construction projects. An amount equal to the net proceeds from this offering will be used to finance and/or refinance, in whole or in part, existing Eligible Projects as further described in “Green Finance Framework”.

GREEN FINANCE FRAMEWORK

The Company's Green Finance Framework has been developed to demonstrate how the Company intends to enter into Green Financing Transactions ("GFT"), including bonds, loans and other debt instruments, to fund environmental-friendly projects to support its business strategies and vision, which will conform to the green finance principles listed below:

- With respect to bonds: Green Bond Principles ("GBP") 2025 released by International Capital Market Association ("ICMA") and Green Bond Endorsed Projects Catalogue (2021 Edition); and/or
- With respect to loans: Green Loan Principles ("GLP") (March 2025 edition) jointly published by the Loan Market Association ("LMA"), the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association or as they may be subsequently amended; and
- With respect to other forms of financing: other green finance principles as may have been established at the time of such financing transaction being undertaken.

In alignment with the above principles and guidelines, the Company's Green Finance Framework consists of the following core components:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

Bond(s) issued under the Green Finance Framework may take the form of public transactions or private placements, in bearer or registered format, and may take the form of senior unsecured or subordinated issuances. Such bonds and loans issued under the Green Finance Framework will be standard recourse-to-the-issuer debt obligations and investors will not bear the credit risk of the underlying allocated eligible asset exposures. GFT may be done in any jurisdiction and market reflecting the Company's current and future business needs.

USE OF PROCEEDS

The net proceeds raised under the Green Finance Framework or an amount equal to these net proceeds will be used exclusively to fund or refinance existing eligible green projects (“**Eligible Projects**”) (wholly owned or partially owned by the Company) that meet the below category of eligibility as recognized in the 2021 GBP (“**Eligible Criteria**”):

Refinancing of Eligible Projects will have a look-back period of no longer than 36 months from the time of issuance. The Company is committed to fully allocate the net proceeds on a best-effort basis within 24 months of issuance. Projects and assets eligible for Green financing must fulfil the relevant eligibility criteria set forth below.

Eligible Green Projects

Eligible Green Project Category (SDG Mapping)	Eligible Criteria and Example of Eligible Green Projects	Environmental Benefits
Renewable Energy  	Projects related to the generation and transmission of energy from the following sources (including maintenance and upgrade of such infrastructure and manufacture of dedicated components for renewable energy) • Wind Power • Solar Photovoltaic (PV)	Project Goals: Give full play to the advantages of specialized resources, actively develop new energy industries such as wind power and photovoltaics, and promote the green transformation of the industry.
Sustainable Water and Wastewater Management  	Construction, maintenance and technologies for water recovery, treatment and recycling: • During construction, it diligently reinforces the protection of water sources, and strictly implements regulations on construction and domestic water usage. It strengthens water-saving measures by installing and utilizing water-saving equipment, temporary rainwater collection systems, construction water usage, and sewage treatment systems. Additionally, it collects and utilizes surface and groundwater from excavations, promoting water recycling. In water facilities, infrared sensors are installed to prevent leaks and continuous water flow, thus emphasizing efficient water use.	Project Goals: Aims to build a water-saving enterprise, enhancing the protection and management of water resources.

Eligible Green Project Category (SDG Mapping)	Eligible Criteria and Example of Eligible Green Projects	Environmental Benefits
Energy Efficiency  	Investments and expenditure related to the acquisition, manufacture, construction, installation, development and operation of projects or assets that improve energy efficiency and/or reduce energy consumption and losses, including: smart grid, energy storage systems, upgrade equipment and refurbished building.	Project Goals: Improve energy efficiency or reduce in the total energy consumption and losses; Climate change mitigation.
Green Buildings   	Acquisition, construction, and maintenance of buildings that have received the below recognized green building certifications. • Conform to Green Building Evaluation Standards (GB/T 50378) with two stars or above; or • Obtain U.S. Leadership in Energy and Environmental Design (LEED) — Gold grade or above; or • Hong Kong BEAM Plus — minimum certification level of Gold; or • BREEAM — minimum certification level of Excellent Building; or • EDGE Green Building Certificate — minimum certification level of level 1; or • Building and Construction Authority (BCA) Green Mark — Gold Plus or above; or • Meet the requirements of the “Near-Zero Energy Building Technical Standards” (GB/T 51350)	Project Goals: In order to comply with regional, national or internationally recognized standards or certifications for environmental performance, and to achieve harmonious coexistence between humans and nature.

Exclusion Criteria

In any case, eligible assets/projects exclude the type of activities listed in the latest International Finance Corporation (IFC) Exclusion List (2007):

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, PCBs, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos, and equivalent enterprises.
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- Production or activities involving forced labor or child labor.
- Commercial logging operations for use in primary tropical moist forests.
- Production or trade in wood or other forestry products other than from sustainably managed forests.
- Production, generation or trade in fossil fuel.

PROCESS FOR PROJECT EVALUATION AND SELECTION

The Company has a robust internal control and policy mechanism to ensure environmental and social risks are identified and mitigated. It complies with the Energy Saving Regulation of the People's Republic of China (《中華人民共和國節約能源法》), the Energy Efficiency Standards for Public Buildings (《公共建築節能設計標準》), the Regulation for Green Construction (《建築工程綠色施工規範》) and other related policies and regulations enforcing sustainability considerations.

During the design stage, environmental impact assessments ("EIA") will be conducted in accordance with the application regulations to identify environmental and social impact, controls and mitigation measures will be made to minimize the impact on the environment. The assessment results will be recorded in the EIA report. During the construction stage, mitigation measures and protection of the eco-system are strictly implemented and monitored.

A working group will oversee all projects and select the Eligible Projects to be financed. The working group will comprise senior members and representatives from the different departments and has a standard process for project evaluation and selection. The working group will meet at least every 12 months and select eligible projects according to the Eligible Criteria in this framework and prioritize selecting projects that comply with the Energy Saving Regulation of the People's Republic of China, the Green Building Evaluation Standard and other related policies and regulations enforcing sustainability considerations.

The working group will evaluate each project based on its feasibility report. The feasibility report evaluates a project by assessing its investment necessity, feasibility in terms of both technical and financial aspects, the ratio of return against cost, potential social impact and metrics in the Eligible Criteria. The feasibility report will generally be issued by a third-party agent or a professional consultant team. The report scope will cover the process of identifying environmental and social risks in all stages related to green projects as well as the management solutions to address such risks. Moreover, the feasibility report will examine whether the related financial budget and construction plan are feasible in order for the project to be carried out.

A list of green projects will be provided to the working group, and working group will ensure the selected Eligible Projects to comply with the environmental regulatory policy of the project site. The working group then selects projects based on compliance, industry policy conformity, and completeness of relevant procedures, filing and legal documents.

Lastly, the working group will present the board of directors with a short list of Eligible Projects and wait for approval.

MANAGEMENT OF PROCEEDS

The proceeds from GFTs will be managed by the working group and be deposited in the Company's funding accounts, which is a temporary cash account that keeps the unallocated proceeds in the form of cash deposits that will be used only on Eligible Projects when applicable. All net proceeds of an issuance will be allocated to Eligible Projects within two years. The working group will be committed to adjusting the tracked net proceeds biannually to match allocations to Eligible Projects during the time the instrument is outstanding. The expected look-back period for refinanced Eligible Projects will be three years. The working group will also maintain a register to keep track of the use of proceeds containing the following information:

- Information of Green Financing Transactions
- Issuer/borrower entity
- Transaction date
- Principal amount of proceeds
- Maturity date
- Interest or coupon
- ISIN number (if applicable)

Allocation of Use of Proceeds

- Name and description of Eligible Projects to which the proceeds have been allocated in accordance with the Green Finance Framework
- Project location
- Amount of investment (state currency)
- Date of investment
- Progress/construction status
- Environmental certification (including source and date)
- Energy Performance data (including source and date)
- The balance of unallocated proceeds
- Information of temporary investment for unallocated proceeds

When the Eligible Projects are subject to partnerships or joint ventures, the Company will only consider our share of investment in those Eligible Projects. The Company will not consider a portion of any Eligible Project which has been financed and/or refinanced by any other stakeholder.

REPORTING

The Company is committed to providing the proceeds allocation report and impact report, which will be approved by the working group. Both the allocation report and impact report will be disclosed once a year. The allocation report will be disclosed until all the net proceeds are being allocated to Eligible Projects. Such information will be available on the Company's website or included in the annual social responsibility report including but not limited to the following:

Allocation Reporting

- The aggregate amount allocated to various Eligible Green Categories
- The remaining balance of funds which have not yet been allocated and type of temporary investment
- Share of financing vs. refinancing
- Examples of Eligible Projects and brief description of the Eligible Projects which Bond proceeds have been allocated (subject to confidentiality disclosures)
- Any major developments/issues/disputes related to the projects or assets

Impact Reporting

The Company is committed to reporting on the expected and actual environmental and social impacts associated with the Eligible Projects funded with the proceeds. The impact report will continuously be disclosed until all the net proceeds are being allocated to Eligible Projects. Subject to the nature of Eligible Projects and the availability of information, the report will include, but not limited to, the following Impact Indicators:

GBP category	Impact Indicators
Renewable Energy	• Annual renewable energy generation (GWh for electricity and GJ for other energy) • Annual GHG emission or standard coal equivalent reduced/avoided
Energy Efficiency	• Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent/a • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Sustainable Water and Wastewater Management	• Annual absolute amount of wastewater treated, reused or avoided in m³/a, in tonnes/a • Annual absolute amount of water pollutants reduced in tonnes/a
Green Buildings	• Level of certification by property • Energy efficiency gains in MWh or percentage vs baseline • Annual absolute (gross) water saving in m³/a

External Review

The Company has engaged Moody's Investor Service as the external reviewer to evaluate the appropriateness of the Green Finance Framework, and alignment with the GBP and GLP, and issue a Second Party Opinion accordingly. The Second Party Opinion will be available on the Company's official website.

CAPITALISATION OF THE COMPANY

As at the date of this Offering Circular, the registered share capital of the Company is RMB13,579,541,500.0 divided into 11,503,245,500 A shares of RMB1.0 par value each and 2,076,296,000 H shares of RMB1.00 par value each and its issued share capital is RMB13,579,541,500.0 consisting of 13,579,541,500 ordinary shares of RMB1.0 par value each.

The following table sets forth the Company's unaudited consolidated capitalisation as at 30 June 2025 and as adjusted to give effect to the issue of the Notes before deduction of any fees, commissions and expenses. The table should be read in conjunction with the financial statements and the accompanying notes included in this Offering Circular.

	As at 30 June 2025	
	Actual	As adjusted
	(RMB in millions)	
Total borrowings		
• current portion⁽¹⁾		
Borrowings	286,021.7	286,021.7
Total borrowings		
• non-current portion⁽²⁾		
Borrowings	314,505.9	314,505.9
Notes to be issued ⁽³⁾	–	4,000
Total borrowings	600,527.6	604,527.6
Equity		
Share Capital	13,579.5	13,579.5
Capital reserve	47,962.8	47,962.8
Surplus reserve	6,789.8	6,789.8
Retained earnings	202,502.5	202,502.5
Other comprehensive income	(1,657.0)	(1,657.0)
Other equity instruments	71,962.4	71,962.4
Equity attributable to owners of the Company		
Minority interest	89,449.1	89,449.1
Total shareholder's equity	430,589.1	430,589.1
Total capitalisation⁽⁴⁾	1,031,116.7	1,035,116.7

(1) Current portion of the total borrowings represents the aggregate balance of short-term loans, short-term unsecured financing bonds, long-term loans with maturities of one year and below, and bonds payable with maturities of one year and below.

(2) Non-current portion of the total borrowings represents the aggregate balance of long-term loans and bonds payable.

(3) The amount represents the aggregate principal amount of the Notes to be issued, before deducting any underwriting commissions and other transaction costs and expenses payable in connection with the offering of the Notes.

(4) Total capitalisation represents the sum of the total borrowings and total shareholders' equity.

On 25 September 2024, the Issuer issued CNY3,500,000,000 2.60 per cent. guaranteed notes due 2027 that were guaranteed by the Guarantor (the “**2024 Notes**”).

As at the date of this Offering Circular, there has been no other material adverse change in the Company's consolidated capitalisation and indebtedness since 30 June 2025.

DESCRIPTION OF THE ISSUER

FORMATION

The Issuer, CRCC Huayuan Limited (鐵建華源有限公司) was incorporated in Hong Kong on 22 February 2024 as a public company with limited liability under the Companies Ordinance (Chapter 622 of the laws of Hong Kong) with company number 76234481. Its registered office is located at 4008A, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The Issuer is an indirect wholly-owned subsidiary of the Guarantor.

BUSINESS ACTIVITIES

The Issuer was established for the purpose of issuing notes and onlending the proceeds to the Company and/or its subsidiaries. The Issuer has not engaged, since the date of its incorporation, in any other material activities other than those relating to the issue of notes and the onlending of the proceeds thereof to the Company and/or its subsidiaries, and the authorisation of documents and agreements referred to in this Offering Circular to which it is or will be a party.

The Issuer has the capacity, rights, powers and privileges of a natural person of age under law and therefore has full power and authority to carry out any activities not prohibited by the laws of Hong Kong. Copies of the Issuer's Articles and Association are available as described in "General Information".

DIRECTORS

The directors of the Issuer are as follows:

Name	Position
Xin Xiongfei	Director
Zheng Yusuo	Director

The address of Xin Xiongfei for the purpose of his directorship of the Issuer is Room 805, Building A, No. 29 Shijingshan Road, Shijingshan District, Beijing, PRC and the address of Zheng Yusuo for the purpose of her directorship of the Issuer is Room 803, Building A, No. 29 Shijingshan Road, Shijingshan District, Beijing, PRC.

SHARE CAPITAL

As at the date of this Offering Circular, the issued share capital of the Issuer is HK\$10,000.0 represented by 10,000 ordinary shares.

No part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being, or is proposed to be, sought. The Issuer does not have any debt outstanding other than the 2024 Notes and the Notes to be issued.

DESCRIPTION OF THE GROUP

OVERVIEW

Originally founded as the Railway Corps of the People's Liberation Army, the Company was formally established on 5 November 2007 with the Controlling Shareholder as the sole promoter approved by the State Council and the SASAC. The Company is one of the largest integrated construction companies globally, and is an ultra-large construction enterprise under SASAC's direct supervision. The Group was included among the "Top 250 Global Contractors" and "Top 150 Global Engineering Design Companies", by ENR, an American magazine, and ranked No. 3 and No. 23, respectively, in 2025. It was listed among the Fortune "Global 500" consecutively for 20 years, ranking No. 51 in 2025 and the Brand Finance Global 500, ranking No. 133 in 2025. The Company won the Special Invention Award and Gold Medal at the 50th Geneva International Exhibition of Inventions in 2025.

The Group operates a wide range of business, covering construction, planning, design and consultancy, manufacturing, real estate development, materials and logistics, investment, finance and other emerging industries. The Group has established its industry leadership in the fields of engineering design and construction for plateau railways, high speed railways, expressways, bridges, tunnels and urban rail transits. Over the years, the Group has constructed 50% of China's conventional and high-speed railways, 40% of urban rail transit, and 30% of high-grade roads. The Group operated and maintained over 3,000 kilometers of railway tracks, 4,000 kilometers of expressway and 3.14 million square meters of property as at 31 December 2024. In addition, the Group manufactures equipment used in engineering and construction projects, provides logistics and materials trading services, and develops real estate projects. This allows the Group to provide extensive services and products covering scientific research, planning, survey, design, construction, supervision and management, maintenance, operation as well as investment and financing. As a result, the Group has upgraded itself from an established market leader in China to a global competitor in the industry of engineering design and construction specialising in plateau railways, high-speed railways, highways, bridges, tunnels and urban rail transits.

The Group is one of the strongest and largest-scale integrated construction groups in the world and one of the largest railway construction group in China. It was included in the "Top 250 Global Contractors" by ENR, an American magazine, with a ranking of No. 3 in 2025. The Group has engaged in the metropolitan railway projects in almost all cities in China that have developed metropolitan railways. The Group is a pioneer in the survey, design and consultancy industry in China. The Group is also one of the largest manufacturers of large rail track maintenance machinery with over 80.00 per cent. of the domestic market share in China in 2024. In 2024, the construction of the Xiong' an New Area, the Three-North Shelterbelt Project and other related projects has been steadily advanced by the Group. Major projects of the Group such as the Shanghai-Suzhou-Huzhou high-speed railway and the Yinchuan-Kunming Expressway project have been successfully completed. The Macau Bridge and the Hengqin Extension of the Macau Light Rail Transit were opened to traffic, celebrating the 25th anniversary of Macau's return to the motherland. The world's tallest hotel building, the Dubai Sky Way Hotel in the UAE, was delivered by the Group, and China's first 5,000-ton self-propelled full-rotation crane ship was successfully launched by the Group, while production operations remained stable.

The Group has a strong R&D team with top-tier talents in China. It consists of, among others, one member of the Chinese Academy of Engineering, 10 National Survey and Design Masters, 11 national candidates of the "Bai Qian Wan Talents Project" and 309 experts who are recipients of special subsidies granted by the State Council. In 2024, the Group received three National Prizes for Science and Technology and 17 Zhan Tianyou Civil Engineering Awards. As at 31 December 2024, the Group cumulatively holds 40,638 valid patents.

The following table sets forth the breakdown of the Group's revenue by segment for the years/periods indicated:

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(RMB in millions)			(Unaudited)	
Construction operation	964,715.8	987,324.5	931,245.5	451,614.8	434,599.6
Planning, design and consultancy operation . .	20,295.9	18,754.0	18,024.3	8,002.3	6,743.2
Manufacturing operation	24,732.3	23,999.3	23,394.7	11,233.5	11,826.0
Real estate development operation	62,253.7	83,271.8	71,890.4	31,547.6	20,755.4
Other businesses	95,498.5	95,865.8	86,864.1	42,164.5	40,718.1
Inter-segment elimination	(71,183.3)	(71,221.9)	(64,247.7)	(28,426.0)	(25,443.2)
Total	1,096,312.9	1,137,993.5	1,067,171.3	516,136.7	489,199.0

The following table sets forth the breakdown of the Group's gross profit by segment for the years/periods indicated:

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
	(Unaudited)									
Construction operation	83,073.2	8.61	87,614.0	8.87	81,454.3	8.75	34,128.0	7.56	32,277.3	7.43
Planning, design and consultancy	7,277.8	35.86	8,114.5	43.27	7,562.4	41.96	3,389.1	42.35	2,681.7	39.77
Manufacturing operation	5,579.4	22.56	5,237.9	21.83	5,228.8	22.35	2,364.4	21.05	2,504.1	21.17
Real estate development operation	8,718.0	14.00	10,166.7	12.21	7,851.3	10.92	3,608.8	11.44	2,008.3	9.68
Other businesses	7,092.6	7.43	7,613.8	7.94	7,965.0	9.17	3,882.5	9.21	4,016.9	9.87
Inter-segment elimination	(1,175.8)	–	(502.5)	–	(492.3)	–	(306.3)	–	(227.0)	–
Total	110,565.2	10.09	118,244.4	10.40	109,569.5	10.27	47,066.5	9.12	43,261.3	8.84

As at 31 December 2024, the Group had operations in 32 provinces, autonomous regions and municipalities in China as well as 148 countries and regions in the world. As at 31 December 2024, the Group had 11,121 projects under construction, 9,423 of which were located in the Chinese mainland while the other 1,698 were located abroad. The following table sets forth the Group's revenue by geographic regions for the years/periods indicated:

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin	Revenue	Gross Profit Margin
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
									(Unaudited)	
Chinese mainland	1,042,234.3	10.21	1,077,683.6	10.59	1,001,272.6	10.45	485,303.0	9.30	452,109.6	9.03
Overseas	54,078.5	7.73	60,309.9	6.87	65,898.7	7.49	30,833.8	6.24	37,089.5	6.53
Total	1,096,312.9	10.09	1,137,993.5	10.40	1,067,171.3	10.27	516,136.7	9.12	489,199.0	8.84

For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group's newly-signed contracts amounted to RMB3,245.0 billion, RMB3,293.9 billion, RMB3,037.0 billion and RMB1,056.2 billion, respectively. In 2024, domestic and overseas newly-signed contracts amounted to RMB2,725.0 billion and RMB312.0 billion, respectively, representing 89.7% and 10.3%, respectively, of the total newly-signed contract value. As at 31 December 2024, the Group's backlog was RMB4,282.1 billion. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the gross profit margin of the Group was 10.09 per cent., 10.40 per cent., 10.27 per cent. and 8.84 per cent., respectively. The total assets of the Group reached RMB2,006.6 billion as at 30 June 2025, representing an increase of RMB143.8 billion from that as at 31 December 2024.

The Company was established as a joint stock company with limited liability under PRC law on 5 November 2007 with a registered capital of RMB8.0 billion. As at 31 December 2024, the Controlling Shareholder, which is wholly owned by SASAC, held 51.23 per cent. of the shares of the Company. The Company was listed on the main board of the Shanghai Stock Exchange on 10 March 2008 and listed on the main board of the Hong Kong Stock Exchange on 13 March 2008. As at the date of this Offering Circular, the registered share capital of the Company is RMB13,579,541,500 divided into 13,579,541,500.0 ordinary shares of RMB1.0 par value each and its issued share capital is RMB13,579,541,500.0 consisting of 13,579,541,500 ordinary shares of RMB1.0 par value each.

The Group mainly conducts the following businesses:

- **Construction operation**, the traditional and core business of the Group. The Group's construction operations mainly include railways, highways, rail transits, water conservancy and hydropower, housing construction, municipal engineering, bridges, tunnels, airports and wharves;
- **Planning, design and consultancy**, services covering civil engineering and infrastructure construction related to railway, urban rail transits, highways, municipal administration, industrial and civil buildings, magnetic levitation, water transport, hydropower, airports and civil defense, with continuous efforts in expansion to emerging industries and areas, such as intelligent transport, modern tramcar, urban utility tunnel, urban underground space, ecological environment and environmental protection;

- **Manufacturing**, a combination of research, manufacturing, sales and services with focus on three core areas, i.e. equipment manufacturing, material production and precast concrete production. After years of development, the Group has become a leading material and professional equipment manufacturing service provider with international advanced market position. The business scope covers large railway track maintenance machinery, underground construction equipment, rail construction equipment, concrete construction equipment, lifting equipment, bridge construction equipment, compacting equipment, concrete products, bridge steel structures, turnout and spring bar fastener, and electric contact wire and parts;
- **Real estate development**, including the development, construction and sale of residential and, to a lesser extent, other industrial real estate. The Group is among 16 state SASAC-owned enterprises which are specifically permitted to have real estate development as its principle business;
- **Materials, logistics and other businesses**, including logistics, warehousing and distribution, spot trading and international trading, financial insurance, concession, mining resources development and railway operation and management.

COMPETITIVE STRENGTHS

The growth and development of the Group can be primarily attributed to the following competitive strengths:

The Group is one of the world’s strongest and largest-scale integrated construction group, with numerous qualifications covering a complete chain of industry.

The Group is one of the strongest and largest scale integrated construction groups in the world. The Company was included among the “Top 250 Global Contractors” by ENR, and ranked No. 3 in 2025 and has been included in the Fortune Global 500 by the Fortune Magazine for 20 consecutive years, ranking 51st in 2025. It was listed among the Brand Finance Global 500, ranking 133rd and the Top 500 Chinese Enterprises, ranking 14th in 2025.

The Group’s extensive business scope, which includes construction operations, planning, design and consultancy, investment operations, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries, enables it to provide comprehensive services to its customers. The Group continued to maintain its leading position in fields of engineering design and construction for high-speed railways, plateau railways, expressways, bridge, tunnel and metropolitan railway. The Company has a refined industry chain covering scientific research, planning, survey, design, construction, supervision and management, operation, maintenance, and investment and financing, and has the capability to provide one-stop integrated services. The qualifications held by the Group have enabled it to undertake various types of construction projects in China. These qualifications include a number of special qualifications which cover a broad range of construction projects including railway, highway, bridge, tunnel, metropolitan railway, water conservancy and hydropower facility, airport, port, real estate, municipal projects, as well as geological hazards prevention projects that are obtainable only by large-scale construction companies with reputable track records.

The Group has numerous engineering and technical equipment, professional, complete and high-level engineering construction qualifications and professional institutions of various types, which covers a complete industrial chain, enabling it to provide one-stop engineering construction services for customers. As at 31 December 2024, the Group had 107 extra-grade general contracting qualifications, ranking atop in construction companies nationwide. In 2024, the Group obtained seven new special grade

qualifications as general contractor for construction enterprises. There are five large-scale engineering design and research institutes with the highest qualification level under management of the Group as at 31 December 2024.

Through its ability to offer integrated, multifaceted services to its customers, the Group effectively utilise its facilities and resources from different business segments and forged its significant advantages in undertaking of large-scale and complicated projects, such as railway, highway, urban rail transit, municipal engineering, hydroelectric engineering as well as airports, stadiums and wharves projects. As at 31 December 2024, the Group had operations in 32 provinces, autonomous regions and municipalities in China as well as 148 countries and regions in the world. Over the years, the Group has had a number of achievements:

- **Railway.** The Group is one of the largest providers of railway construction services in China. Landmark railway lines constructed by the Group include the Qinghai-Tibet (Phases I and II), Beijing-Kowloon, Datong-Qinhuangdao, Southern Xinjiang, Nanning-Kunming, Neijiang-Kunming, Guangzhou-Shenzhen, Qinhuangdao-Shenyang, Chongqing-Huaihua and the Guangdong Sea Passageway. In addition, the Group has undertaken a number of high-quality railway projects including Beijing-Xiong'an High-speed Railway, Beijing-Zhangjiakou Railway and Rye Railway. The Group also provides railway construction services in overseas countries. In January 2014, the Group completed the construction of the main part of the Ankara-Istanbul high-speed railway line (Phase II) in Turkey, which is the first high-speed railway constructed by PRC enterprises in overseas countries. In 2024, Macau Bridge and the Hengqin Extension of the Macau Light Rail Transit opened to traffic.
- **Highway.** The Group is one of the largest providers of high-grade road construction services in China. Landmark freeways and highways constructed by the Group include Béjaïa and Neijiang-Dazu Expressway and the Shenyang-Dalian, Jinan-Qinghai, Taiyuan-Yangquan, Xuanwu-Dalian, Tongjiang-Sanya, Chengdu-Chongqing, Beijing-Zhuhai, Beijing-Shanghai, Beijing-Fujian, Beijing-Shenzhen, Beijing-Chengde and Jiangxi-Guangdong freeways. In 2024, the Group entered into contracts for the construction of Shanghai-Chongqing Expressway, Deyang Zhongjiang-Suining Expressway, and certain sections of the Shenyang-Haikou National Expressway.
- **Urban rail transit.** The Group is one of the largest providers of metropolitan railway construction services in China in terms of the total length of metropolitan railway constructed by the Group in China. The accumulated experience in construction and technological know-how over the years have been a highly valued assets and are instrumental to the Group's continuing growth. Landmark metropolitan railways constructed by the Group include Wuhan Metro Line 6 and Nanning Metro Line 3. The Group also constructs railway stations such as Kunming South Railway Station. In 2024, the Group won the contract for Qiantang Station with a contract value of approximately RMB3.49 billion. Qiantang Station is one of the five major passenger stations of the Hangzhou hub and the largest newly built station along the Hangzhou Airport High-Speed Railway. In addition, together with a consortium of China Railway affiliates, the Group secured the contract for Phase I of Shenzhen Metro Line 27, a 25.2-kilometer line with 21 stations that will link major hubs such as Xili High-Speed Rail New Town and Shenzhen North Station, enhancing the city's core rail network and supporting the development of key technology and business districts.
- **Stadium and bridge.** The Group also undertakes construction projects of various public facilities and infrastructure, including airports, stadium and bridges. The Group completed the construction of Qatar Lusail Stadium, which was known as the "No. 1 Project" of Qatar. The stadium has a construction area of 180,000 square meters and a capacity of 92,000 spectators. Constructed by the Group, the new Demerara River Bridge in Guyana spans approximately 2,900 meters and officially opened to traffic in 2025.

In 2024, the Group completed and accepted 1,506 infrastructure construction projects with a total contract value amount of RMB483.6 billion, 729 housing construction projects with a total contract value amount of RMB162.3 billion and over 500 architectural decoration, professional engineering and other projects with a total contract value amount of RMB15.6 billion.

The Group believes that its competitive strengths and extensive experience in the construction industry, the opportunities created by the growth of the global construction industry and the “Belt and Road Initiative” encouraged by the PRC Government, and the leveraging of various regional development plan by the local government, such as “Coordinated Development for Beijing-Tianjin-Hebei Region”, “Construction of Xiong’an New Area”, “Guangdong-Hong Kong-Macau Greater Bay Area”, “Yangtze Economic Belt” and other construction projects will provide a pivot for sustainable growth of the Group’s business by expanding its core operations.

The Group has long history in overseas operation with excellent achievements.

The Group, being one of the Chinese companies to enter into the international construction market, has long history of operation overseas.

On 20 March 2012, the Group established China Railway Construction International Group. Co., Ltd to undertake overseas construction projects. Over the years, the Group has gradually established “CRCC” and “CCECC”, the two brand names it owns, and its reputation in the international construction industry. With years of efforts, the Group has achieved an excellent record in overseas operation. As at 31 December 2024, the Company’s overseas business spanned 148 countries and regions with 85,000 foreign employees, and the Group had 1,698 overseas projects under construction with total contract value of RMB1,302.9 billion. By emancipating our mindset and pioneering innovation, the Group vigorously advanced the “Overseas First” strategy. It has carried out business operations in accordance with the laws and regulations, strengthened prevention of operational risks, and steadily improved business quality, thereby achieving more optimized and substantive high-quality development.

These efforts have established a solid foundation for its further development in overseas markets. Leveraging its completed chain of industry, the Group focus on the integrated service of investment, construction and operation to build an overseas operational and development system and management framework, so as to unify the layout of the global market, ensure the coordination and orderliness of overseas expansion, and build a strong synergy of overseas operations.

In recent years, the Group experience a rapid growth in overseas newly-signed contracts. For the year ended 31 December 2022, 2023 and 2024, the Group had overseas newly-signed contract value of RMB306.1 billion, RMB252.8 billion and RMB312.0 billion, respectively.

The Group possesses numerous key technologies for its various core businesses and equips with technology self-development and innovation capabilities as well as advanced equipment.

The Group has industry-leading research and development capabilities, with three National Prizes for Science and Technology and 17 Zhan Tianyou Civil Engineering Awards. As at 31 December 2024, the Group had 40,638 valid patents and had jointly established three national-level innovation platforms and 34 provincial, ministerial, and industry-level innovation platforms, fostering collaborative innovation in major national initiatives such as key R&D programs. As at the same date, the Group had cumulatively received 90 National Prizes for Science and Technology, 167 Zhan Tianyou Civil Engineering Awards, 593 National High-Quality Projects Awards (including 52 Gold Awards), 184 Luban Prizes for China Construction and 5,654 engineering methods above provincial level.

The year of 2025 marks the concluding year of the 14th Five-year Plan. The Group has further strengthened its scientific research efforts, leading 10 national key R&D projects and 44 state-level research initiatives in 2025, while adding 3,033 valid patents (including 1,153 invention patents). The Group led the “Science and Technology Innovation 2030 Major Project,” achieving a historic breakthrough. The Group successfully completed three high-quality R&D tasks targeting critical core technologies and was approved as part of the second batch of Central SOE Original Technology Source Bases. It received three Second Prizes of the State Science and Technology Awards and, leveraging major projects, won the International Tunnelling Association’s “Beyond Engineering Award” and the 41st Arthur G. Hayden Medal for bridge engineering. In addition, the Group co-led the release of three international standards, jointly drafted its first UIC international railway standard, and received four Engineering Construction Standardization Technology Innovation Awards.

As early as 1954, the Group’s predecessor, the Railway Engineering Corps, undertook the construction of Baotou-Lanzhou Railway, China’s first cross-desert railway. It later undertook the construction of Beijing Subway Line one, China’s first metro line in 1965. Over the years, the Group has built and maintained national leading position in numerous professional technology areas, with outstanding design and construction technology and innovation in high speed railway, plateau railway, urban rail transit, long tunnels and high bridges, including:

- construction of the Shenzhen-Zhongshan Link (2024);
- development of “Taihang”, the world’s first all-in-one machine for girder replacement, transport and erection (2023);
- development of the world’s largest and fully localized shield machine main bearing with a diameter of 8.61 meters (2023);
- development of “Dream”, China’s first domestically built and the world’s largest drilling ship (2023);
- construction of the Lusail Stadium in Qatar, where the final match of the 2022 FIFA World Cup was held (2022);
- construction of the Hong Kong-Zhuhai-Macao Bridge, with the world’s longest immersed tube tunnel and the bridge and tunnel combination highway with the world’s longest distance cross the sea (2018);
- construction of the Inner Mongolia-Jiangxi Railway, the longest heavy haul railway under construction in China (2018);
- construction of the Gantas Tunnel in Algeria, which is the longest tunnel located in North Africa (2017);
- construction of the Addis Ababa-Djibouti Port Railway, the first railway that fully adopted and implemented the Chinese standards in whole industrial chain, and which is now open to traffic (2016);
- construction of the No. 1 Qilian Mountain Tunnel of Lanzhou-Urumchi, the highest tunnel with high-speed railway, and which is now open to traffic (2014);
- construction of the Nanpan River Bridge of Yunan-Guilin Railway, the arch bridge with the largest span in the world applying in the railway for both passengers and freight (2013);
- construction of the Qingdao-Jiaozhou Bay Bridge, the world’s longest across water bridge, opened to traffic (2011);

- construction of the Beijing-Shanghai high-speed rail, the longest high-speed rail opened to traffic (2011);
- construction of the Shiziyang Tunnel, China's first high-speed railway applying Tunnel Boring Machine (or TBM) undersea, opened to traffic (2011);
- construction of the Yichang-Wanzhou Railway, known as "the bridge and tunnel museum", opened to traffic (2010);
- construction of Xiamen Xiang'an undersea tunnel, the first undersea tunnel in China opened to traffic (2009);
- construction of the Qinghai-Tibet railway, the first plateau railway in China, including the construction of all of the railway lines at an altitude of 4,900 metres or higher in the 2nd phase and most of the construction of the railway lines at an altitude of 4,600 metres or higher in the 2nd phase. The construction of the project involves conquering the technique difficulties of frozen soil, fragile eco-system and hypoxia. After the project, the Group achieved a world-leading position with respect to its set of skills in build railways in the frozen-soil region in plateau (2008);
- construction of the Nanjing Yangtze River Tunnel, China's largest shield diameter ever used then (2005);
- construction of the Super Long Wushaoling Tunnel, the longest railway tunnel in China at the time, opened to traffic (2003);
- construction of the Shanghai Maglev Train, the world's first commercial Maglev track (2001);
- the first time use of TBM excavation technology in a railway tunnel, Qinling Tunnel, the longest in China and the 6th longest tunnel worldwide, fully operational (1999);
- construction of the Datong-Qinhuangdao Railway, the first electrified double-track heavy-haul railway in China which won the Lu Ban Prize and Golden Prize of National High-Quality Prize (1985); and
- construction of the Chengdu-Kunming Railway, which was praised by the United Nations as "one of three major wonders symbolising the human being conquering nature in the twentieth century" (1970).

As at 31 December 2024, there was an increasing number of products of the Group designed with independent intellectual property rights. This includes underground engineering facilities including major-diameter earth pressure balance shield/TBM dual-mode excavator, hard rock tunnel boring machine with major diameter and full face and hard rock tunnel boring machine with double shields. Large railway track maintenance machinery such as narrow-gauge tamping machines and narrow-gauge ballasting machines have also achieved the international leading level and have been exported to overseas markets. Technologies of underground and underwater engineering construction, magnetic suspension engineering construction and Electrical & Mechanical system integration have achieved a leading position in the industry. The Group undertook several national technology supporting program, such as key technologies of complete sets of equipment for pre-grooved tunnel construction and key technologies for long-distance inclined shafts in coal mines for shield construction, both of which have been utilised in constructions and the products thereof have achieved advanced level internationally. The Group also participated the construction of light-rail and subway of the almost all the cities in China, and built large automatic maintenance machine, which fundamentally change manual maintenance history in China.

The Group has expanded into diversified businesses with market leadership in various segments and areas.

Over the years, the Group has endeavored to diversify its businesses and achieved a market leading position in various business segments and areas.

The Group is the market leader in infrastructure construction, planning, design and consultancy.

The Group has vigorously expanded into diversified businesses related to infrastructure construction, including survey, design and consultancy. After years of efforts, the Group has become the market leader in infrastructure construction, planning, design and consultancy with strong capability in planning, design and consultancy. It has five large-scale engineering design and research institutes with the highest qualification level as at 31 December 2024. The Group provides planning design and consultancy services for the whole process and completed several milestone projects:

- Guangzhou Baiyun Station Integrated Transport Hub is the first large-scale over-station development project in China combining a national railway station with a comprehensive transportation hub and was honored with the prestigious FIDIC Outstanding Award in 2025, making it the only railway design institute to receive this distinction;
- Quanzhou Bay Cross-Sea Bridge is the world's first high-speed railway bridge spanning the sea, marking the beginning of a new era for cross-sea high-speed rail infrastructure and serving as a critical link in China's coastal high-speed rail corridor. The project was honored with the FIDIC Excellence Award in 2024, the highest distinction granted by FIDIC. It was one of only three Excellence Awards worldwide and the sole Chinese project to receive this prestigious recognition that year;
- Xi'an Metro Line 2 (the only metro project in China and Asia and the first metro project in the world to win such award the "FIDIC Grand Awards");
- multiple projects were admitted as the Classic and Boutique Projects in the 35 Years of Reform and Opening-up by China Construction Industry Association, such as Beijing-Shanghai high-speed railway, Wuhan station of Wuhan-Guangzhou passenger dedicated line, Wuhan Yangtze River tunnel project, Qinling I of Xi'an-Ankang railway Line tunnel project, New Qinghai-Tibet Railway Golmud-Lhasa section project, Lanwu second line Wusheling extra-long tunnel project; and
- the "First Prize of Excellent Design Achievement of National Engineering Construction Project" in for Beijing-Shanghai High-speed Railway DK950+039-DK1148+522 section.

The Group is the largest in Asia and the second largest in the world rail track maintenance machinery manufacturer. It also has leading technology of high-speed rail track system.

The Group designs, researches, develops, manufactures and maintains large rail track maintenance machinery, as well as maintenance and construction components for the track system through its subsidiaries, including China Railway Construction Heavy Industry Co., Ltd. and CRCC High-Tech Equipment Corporation Limited. China Railway Construction Heavy Industry Co., Ltd. focuses on the manufacture of railway switches and rail fasteners for high-speed railways. It is Asia's largest and the world's second largest manufacturer of large-scale road maintenance machinery and manufactured a series of large products in line with China's railway market, such as cleaning and screening machines, tamping, ballast matching machines, and stabilizers, which has changed the history of manual maintenance of railways in China. It commands over 80.00 per cent. of the domestic market share in 2024.

It has the most advanced and fully equipped shield/TBM professional production line with largest production capacity in China and it has self-developed high-end shield/TBM with its own intellectual property rights. Composite EPB shield is one of the key products of China Railway Construction Heavy Industry Co., Ltd. with the largest market share among shield market. The products are widely used in the subway construction projects in cities like Changsha, Beijing, Xi'an, Wuhan, Guangzhou, Suzhou, Nanjing and Fuzhou. In addition, it has world leading self-developed mining tunnel machinery and the most advanced production lines for turnouts, elastic fasteners and brake shoes, with exports to the United States and Canada.

Deepening and Enhancing Reforms, Achieving Comprehensive Breakthroughs in Various Areas.

The Group has realized its supply chain management optimization by strengthening the integration of business and finance and building a first-class advanced supply chain management system. Driven by the overall direction adhere to the problem-oriented approach, optimize top-level design, strengthen basic management, and plan key work in an integrated manner, the Group has realized a showcase of six efficacies, i.e. intensive, flat, smart, green, bright and synergistic. The Group's flagship logistics business is mainly operated by China Railway Material Group Co., Ltd., or CRCC Material, a subsidiary of the Group specialising in logistics operations. CRCC Material has achieved rapid development in its logistics operations and has become a large-scale modern supply chain integrated service provider with business covering every aspects of rail transit construction, operation and maintenance. It has grown into the largest railway engineering logistics services provider around the world and the second largest supplier of railway supplies in China. CRCC Material has served over half of the railway construction projects in China as well as other urban rail transit, highways, municipal ports construction projects. In terms of overseas operation, CRCC Material has its presence in railway material market in Africa, South East Asia and America. The Group also engages in the trading of construction materials, such as steel rail, which enhances its ability to purchase and supply key materials. It has established strategic relationships with many key material suppliers, such as China National Petroleum Corporation and China Petroleum and Chemical Corporation, and several major steel companies in China.

The Group has implemented its strategic reform to enter into emerging industries, increasing its engagement in new projects, and accelerating its transformation and upgrade initiatives, driving rapid growth in order intake. It actively follow SASAC's strategy to make efforts to develop both traditional industries and strategic emerging industries, and leads the development of new quality productivity. The major achievements includes China Railway Construction Bamboo; Real-time Data Sharing through Smart Earth; BeiDou satellite positioning drives intelligent surveying and mapping; and Pingyao Wisdom City Cloud Data Center. As at 31 December 2024, China Railway Construction Corporation's emerging industries businesses recorded newly signed contracts totaling RMB24.5 billion, representing 0.81% of total contracts and a year-on-year increase of 36.47%.

In addition, the Group also emphasises its green transformation. It established Green and Low Carbon Industry Research Institute. Following the national "Carbon Peaking and Carbon Neutrality Goals" strategy, cultivates innovation-driven new productivity and realizes high-quality development. The First industry technology research institute was established under the Group's "1+9+N" science and technology innovation system, aiming to accelerate the formation of new productivity in the field of green and low-carbon industries by carrying out research on related technologies, product innovation and industry cultivation. In terms of green and environmental protection business development, the Group actively responds to national strategies by aligning with major ecological and environmental protection initiatives and regional sustainability goals. It is vigorously expanding its environmental governance business, with a strong focus on key areas such as desertification control, soil remediation, mine restoration, and wastewater treatment. Through project investment, construction, and operation, the Group is driving the green upgrade of infrastructure and building an integrated industrial ecosystem, positioning the green and environmental protection sector as a new growth engine. As at 31 December 2024, the Group's green and environmental protection segment recorded newly signed contracts totaling

RMB316.8 billion, representing 10.43% of total contracts and a year-on-year increase of 23.79%. At the same time, the Group is leveraging its industrial and supply chain advantages through multiple measures to actively participate in the formulation of low-altitude economy development plans for various cities. It is also engaged in related technological breakthroughs and research projects, while providing specialized technical training for professionals, laying a solid foundation for the growth of the low-altitude economy.

The Group has a diversified and dimensional channels of finance.

The Group implements prudent financial management policies to maintain a strong credit profile and balance sheet position. Due to its strong credit profile and balance sheet position, the Group is able to access diversified funding sources, including bank borrowings and capital markets. The Group maintains a close relationship with the policy banks, commercial banks and foreign banks and already had banking facilities from several PRC banks of up to approximately RMB2,549.6 billion as at 31 December 2024, of which an amount of approximately RMB1,026.4 billion had been utilized. The Group constantly monitors its current and expected liquidity requirements and complies with borrowing covenants to ensure sufficient cash reserves and adequate committed facilities to satisfy its short-term and long-term liquidity requirements. As at 31 December 2022, 2023 and 2024, the loans and bonds payable that will expire within one year amounted to 35.5 per cent., 39.0 per cent. and 44.7 per cent. of the total loans and bonds payable, respectively. The Group implements a centralised capital management system to improve the capital utilisation efficiency. In addition, the Group implements a lean management system to reduce project development costs and improve the efficiency of project development. The Group has access to equity financing on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The Group has been listed on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange since 2008 and raised U.S.\$5.7 billion from the markets. In addition, on 22 June 2021, the shares of one of the subsidiaries of the Group, namely China Railway Construction Heavy Industry Co., Ltd. were listed on the Science and Technology Innovation Board to the Shanghai Stock Exchange. Through these multiple channels of financing, the Group expects to raise additional capital for its business development.

The Group has implemented internal procedures with a view to enhancing and maintaining its internal control system, which covers the Group's material production and operational decisions, the development of an information technology system, protection of intellectual property, the establishment of risk and asset management systems, maintenance of an internal audit system and compliance with local laws and rules in both domestic and international markets.

The management will hold meetings at least four times a year to analyze and make plans to manage credit risk, liquidity risk and market risk. Besides, the board will hold meetings at least twice a year to discuss and approve proposals from management. Generally, the Group implements conservative strategies in risk management. As a result, the Group has maintained a strong financial position. As at 30 June 2025, the Group had cash and bank balance of RMB180.5 billion and net current assets value of RMB48.8 billion. The Group had bonds payable of RMB53.2 billion as at 30 June 2025.

The Group benefits from its experienced management team, capable professional technical talents and prestigious legacy, its widely-recognised brand name and excellent corporate culture.

The Group's senior management team consists of experts with an average industry experience of over 25 years, with extensive experience in large-scale infrastructure design and construction projects, the manufacture of large rail track maintenance machinery and other areas related to infrastructure construction. In particular, Mr. Dai Hegen, the Chairman of the Company, has more than 36 years of industry experience and Mr. Zhu Hongbiao, the Chief Accountant has more than 31 years of industry experience. The Group's management team has extensive industry management experience in respect of enterprise operation, financial management, capital operation and the development of corporate culture, and is able to handle complicated and volatile situations. The Group believes that its management team is equipped with the critical industry knowledge required to take advantage of market opportunities,

formulate sound business strategies, assess and manage risks, and implement measures relating to management and production, all of which are expected to increase the Group's overall profit and maximise shareholders' value. In addition, the Group has a strong professional team, with one member of the Chinese Academy of Engineering, 10 National Survey and Design Masters, 11 national candidates of the "Bai Qian Wan Talents Project" and 309 experts who are recipients of special subsidies granted by the State Council.

The management team's strong expertise and commitment to quality have contributed to the successful establishment of the Group's brand name, "CRCC". The Group believes that, when selecting contractors for major infrastructure construction projects, the customers, including the PRC Government, foreign governments and project commissioners, place significant weight on the candidates' industry experience and brand name. As "CRCC" is well recognised in both domestic and overseas markets, the Group is often among the primary choices of contractors for infrastructure construction projects.

The Group believes that its success is partly due to the management team's adherence to its excellent corporate culture, with the core values of "integrity, innovation, excellence and high morality". In November 2012, the Company was awarded the "Outstanding Unit of Building Enterprise Culture in China" by China Enterprise Culture Management Professional Committee of China Culture Administration Society for its excellent corporate culture. The Group believes its corporate culture will continue to support its healthy growth in the future.

BUSINESS STRATEGIES

The Group's vision is to become the world's top-tier modern enterprise. During the 14th Five-Year Plan period, the Group will implement its overall strategy of becoming a trustworthy work-class comprehensive construction group with oriented construction business and diversified related business through guidance by value and drivers of excellence in quality. While reinforcing and upgrading its traditional construction business at one end, the Group also plans to incubate and grow its businesses in emerging industries so as to forge its leading market position in five new tracks: i.e. new infrastructure construction, new equipment, new material, new energy and new service. In order to achieve this goal, the Group will accelerate its transformation to high-end, intelligent, green, refinement, digital and international. In particular, the Group intend to implement the following strategies.

Continue to develop construction as its pillar business.

China's economy is expected to maintain a steady growth in the long run. Instead of chasing for high growth rate, the PRC Government started to focus on the quality of the economy. Along with the advancement of high-quality growth of its economy, China has established a new pattern for development with coordination between the market and government as well as between supply and demand. This provides a more stabilised and rationalised market for the development of the Group's business. During the period of 14th Five-year Plan, along with the implementation of national strategy of powering the country with communication, production, technology, digitisation and revitalisation of countryside, new growth areas for construction business, such as city cluster, metropolitan circle, communication network, intelligent zone, new infrastructure, and new resource are expected to emerge, which to the belief of the Group will bring large growth potential for construction service providers. In addition, driven by the government's various regional development initiatives, such as coordinated development of Beijing-Tianjin-Hebei Region (including Xiong'an New Area), the Yangtze Economic Belt, the Yangtze River Delta, and Guangdong-Hong Kong-Macau Great Bay Area, Chengdu-Chongqing Economic Circle and the Yellow River Basin, as well as the furtherance of urbanisation in the PRC. The Group expects that the demand for infrastructure construction will steadily increase and continue to drive the business growth of the Group in the industry.

The Group is a leader in China's construction industry in terms of total assets, total revenue and new contract value. After years of development, the Group has accumulated abundant experience and

expertise in large-scale and complex infrastructure construction projects as well as advanced technology in construction equipment. Taking advantage of these as well as its economies of scales and strong financing capability, the Group aims to put emphasis on high-quality growth and reinforce its leading position in China's infrastructure construction market through implementing the strategies of (i) focusing on business development surrounding the municipals; (ii) leading by high-end development and operating under the synergies among business lines and collaborations; (iii) enhancing penetration of local markets through projects under construction; and (iv) steadily growing from both traditional operations in the construction of infrastructure including railways (including high-speed railways), highways, tunnels, bridges, urban rail transit, ports and airports, real estate, water conservancy and hydropower projects and municipal projects as well as emerging market, such as utility tunnel, sponge city, environmental protection and pollution control, which the Group believes may become one of the main drivers for the growth of domestic infrastructure industry.

Leverage the synergy of diversified business model of the Group to forge “high-quality CRCC” to achieve the goal of becoming a comprehensive construction industry group.

The Group has been aiming to build diversified operations in the construction industry by leveraging the competitive advantage of the Group's main business, brand name and reputation, with a view to achieving economies of scale and enhancing its market competitiveness. The Group also intends to fully integrate its operations through expanding horizontally and vertically along the industry chain, including integrating engineering design with construction, capital operation with industrial operation, and international operations with domestic operations. The Group seeks to build on the synergy from integration to develop different businesses segment ancillary to its core business.

Over the years, the Group had already completed its overall layout along the chain of construction industry, transforming from single focus on railway construction to a more balanced business combination of five major businesses of construction, survey, design and consultancy operation, manufacturing, real estate development and logistic and materials trading, investment with other emerging business. The Company intends to adhere to the development philosophy of “seeking truth from facts, innovated for the transcendence and walking steadily”, which is aimed at servicing the national economic and social development and satisfying the ever-changing needs of the people in hoping for a better life. The Group plans to further diversify its business to develop three additional business segments, i.e. investment and operation, green and environmental protection and industrial finance with footprints in emerging industries such as municipal operation, culture, travelling, health and wellness, information technology and new material. Leveraging the synergy of diversified business model built up by the Group along the chain of construction industry, the Group plans to forge “high-quality CRCC” oriented by the value of quality first and profit priority, to enhance the operational efficiency as well as its capability of providing one-stop high quality comprehensive services to the customers so as to develop towards its goal of becoming a comprehensive construction industry group with valuable creativity.

The Group plans to continue to enhance its operational efficiency through rationalising and consolidating its internal management system and further integrate its internal resources to enhance efficiency in allocation.

The Company has realised the transition from a construction enterprise to a one-stop solution provider with an integration of scientific research, planning, survey, design, construction, supervision, maintenance, operation, investment and financing, with the capability of expansion and synergy along the whole industry chain. During the period of the 14th Five-year Plan, the Group intends to progress smoothly with focus on quality development and profitability and continue working on innovation, transformation and upgrading. The Group plans to continue to expand and strengthen its major businesses and endeavour to increase business scale as well as quality of development through further reinforcing and perfecting the management system, taking advantage of regional operation, focusing on industrial upgrade, intensifying synergy and coordination among business lines, developing new emerging business, enhancing capability in industry incubation, enhancing the brand and consolidating the foundation of its business.

Continue to strengthen its capability in research and development and foster new quality of productivity.

The Group has a well-established world leading position in the design and construction technology in railway construction in plateau, alpine region as well as high-speed railway. The Group also has the advanced technology of large railway track maintenance machinery in the world. The Group intends to take advantage of strong capability in research and development to continue developing cutting-edge technology with a focus on railway, highway and urban transit construction, heavy machine manufacturing and survey and design. The Group intends to make effort to strengthen its technological innovation and develop its own technology moat through increasing the number of products designed with independently developed or owned intellectual property rights. In 2020, the Group continuously promoted the research and development of the national theme of developing and utilising the urban underground space, and jointly led the publication of four international standards. The Group also established an internal experts committee and completed the preparation work for the first batch of engineering laboratories. In the year of 2024 alone, the Group was granted 7,740 new patents. The Group has constructed a patent portfolio to protect its independent intellectual property rights and core competitiveness.

Following the 14th Five-Year Plan period, the country will continue to invest in transport infrastructure construction, the high-end equipment manufacturing will embrace golden growth opportunities, and intelligent manufacturing development will be promoted in an all-round manner. The continuously improved core equipment supply capacity and the accelerated major technology and equipment localization will offer great opportunity and platform to high-end equipment manufacturing. By adhering to the system of “1+9+N” (i.e. one CRCC Science and Technology Research Institute, nine industrial technology research institutes and numerous joint efforts in conquering difficulties), the Group invests in technology research and development continuously, and promotes the integration of advanced technology and new approach and process to improve independent innovation capability.

Continue to pursue economic benefits from dual circulation and interaction between domestic and overseas operations to achieve high-quality overseas development.

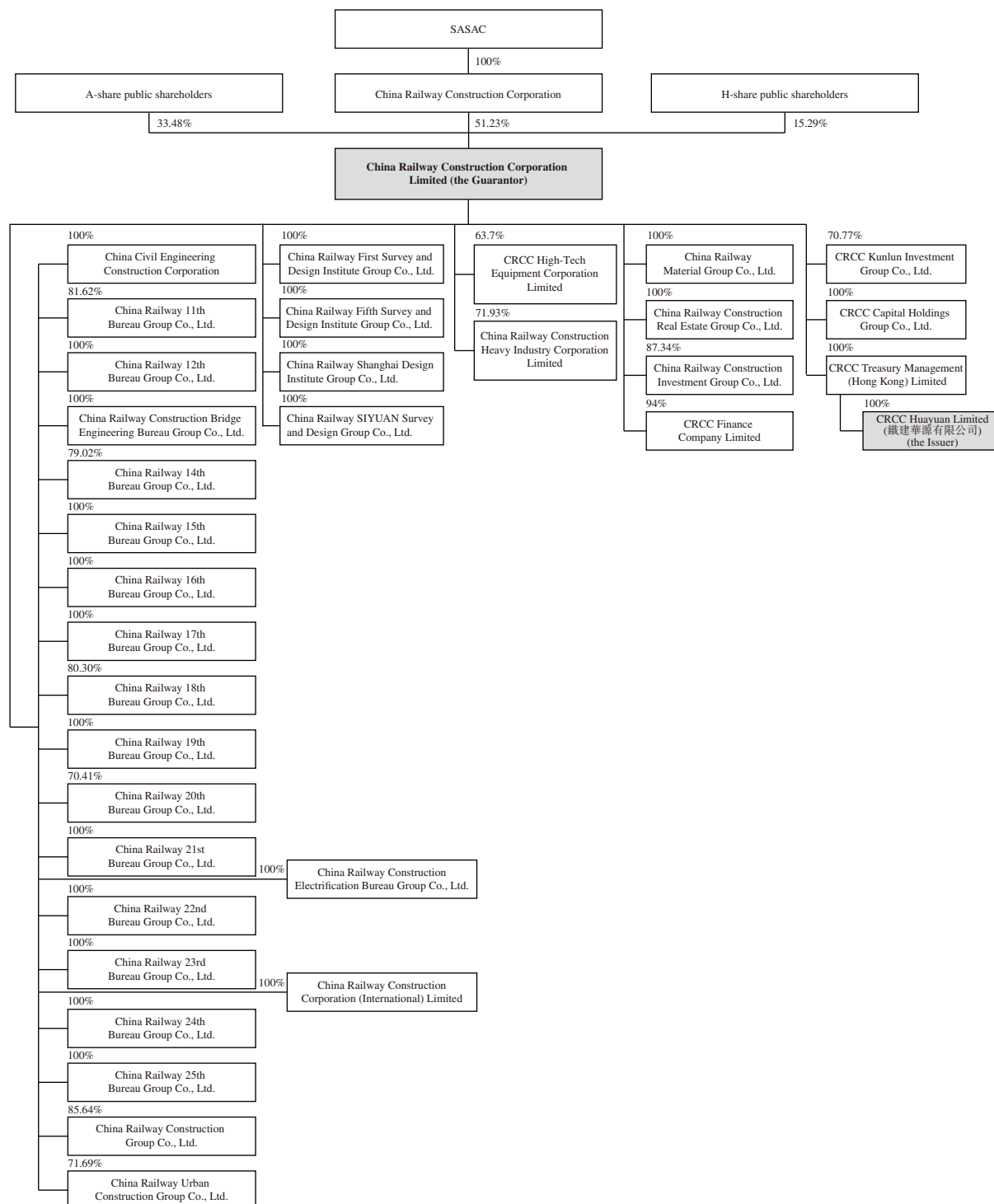
Closely following the steps of the PRC Government in implementing its strategy of “dual circulation”, “going abroad” and the “Belt and Road Initiative” for years, the Group has established its strong presence in overseas market with well-established reputations. The Group had participated in infrastructure construction in the countries and regions in Africa, Asia, Europe, America and Oceania. In 2023, the Group completed and accepted 282 infrastructure projects overseas with a total project amount of RMB56,622.7 million. As at 31 December 2024, the Group had 1,698 overseas projects under construction with a total project amount of RMB1,302,914.4 million. The Group has completed several landmark projects, such as the Macau Bridge and the Blue Sky Hotel in Dubai. The newly signed contract for the Group’s overseas projects in 2024 amounted to RMB312.0 million. Such new contract value includes several landmark projects: the Jeddah Stadium in Saudi Arabia, the Western Mining Railway in Algeria, and Section VI of the Standard Gauge Central Railway in Tanzania.

The Group intends to continue to expand its footprint abroad and leverage the implementation of the national strategies of the PRC Government and continue to enhance its presence in the overseas market. China has actively promoted the reform of the governance system and responded to the external changes with high-quality opening up of the economy. Together with increasing influence of China in the world, the Group believes these will provide plenty of opportunities to the Group for the development of its business, especially for its overseas expansion. In particular, guided by the national strategies of “dual circulation” and “Belt and Road Initiative”, a layout of supply chain has already been formed in the countries along the route which could provide a strong support to the enhancement of infrastructure construction capabilities of the Group. The Group, which has already established its presence in the countries of “Belt and Road Initiative”, intends to take advantage of these resources, together with its

abundant domestic resources, to seize the opportunities in these foreign counties and to create smooth dual circulation between domestic and overseas markets so as to achieve a sustainable, healthy and strong overseas development.

CORPORATE STRUCTURE

The following chart shows the principal subsidiaries of the Group as at 30 June 2025:



PRINCIPAL PRODUCTS AND SERVICES

The Group mainly operates the following businesses:

- **Construction operation**, the traditional and core business of the Group. The Group's construction operations mainly include railways, highways, rail transits, water conservancy and hydropower, housing construction, municipal engineering, bridges, tunnels, airports and wharves;
- **Planning, design and consultancy**, covering civil engineering and infrastructure construction related to railway, urban rail transits, highways, municipal administration, industrial and civil buildings, magnetic levitation, water transport, hydropower, airports and civil defense whilst keeping expanding into the emerging industries and areas, such as intelligent transport, modern tramcar, urban utility tunnel, urban underground space, ecological environment and environmental protection;
- **Real estate development**, including the development, construction and sale of real estate;
- **Manufacturing**, including three core business, i.e. equipment manufacturing, material production and precast concrete production. The business scope covers large railway track maintenance machinery, underground construction equipment, rail construction equipment, concrete construction equipment, lifting equipment, bridge construction equipment, compacting equipment, concrete products, bridge steel structures, turnout and spring bar fastener, and electric contact wire and parts;
- **Materials, logistics and other businesses**, including logistics, warehousing and distribution, spot trading and international trading, financial insurance, concession, mining resources development and railway operation and management.

The following table sets forth the breakdown of the Group's revenue by segment for the years/periods indicated:

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(RMB in millions)			(Unaudited)	
Construction operation	964,715.8	987,324.5	931,245.5	451,614.8	434,599.6
Planning, design and consultancy operation . .	20,295.9	18,754.0	18,024.3	8,002.3	6,743.2
Manufacturing operation	24,732.3	23,999.3	23,394.7	11,233.5	11,826.0
Real estate development operation	62,253.7	83,271.8	71,890.4	31,547.6	20,755.4
Other businesses	95,498.5	95,865.8	86,864.1	42,164.5	40,718.1
Inter-segment elimination	(71,183.3)	(71,221.9)	(64,247.7)	(28,426.0)	(25,443.2)
Total	1,096,312.9	1,137,993.5	1,067,171.3	516,136.7	489,199.0

The following table sets forth the breakdown of the Group's gross profit by segment for the years/periods indicated:

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)	(RMB in millions)	(%)
								(Unaudited)		
Construction operation	83,073.2	8.61	87,614.0	8.87	81,454.3	8.75	34,128.0	7.56	32,277.3	7.43
Planning, design and consultancy	7,277.8	35.86	8,114.5	43.27	7,562.4	41.96	3,389.1	42.35	2,681.7	39.77
Manufacturing operation	5,579.4	22.56	5,237.9	21.83	5,228.8	22.35	2,364.4	21.05	2,504.1	21.17
Real estate development operation	8,718.0	14.00	10,166.7	12.21	7,851.3	10.92	3,608.8	11.44	2,008.3	9.68
Other businesses	7,092.6	7.43	7,613.8	7.94	7,965.0	9.17	3,882.5	9.21	4,016.9	9.87
Inter-segment elimination	(1,175.8)	–	(502.5)	–	(492.3)	–	(306.3)	–	(227.0)	–
Total	110,565.2	10.09	118,244.4	10.40	109,569.5	10.27	47,066.5	9.12	43,261.3	8.84

CONSTRUCTION

Overview

The Group is one of the largest providers of railway construction services in China. The Group is also one of the largest providers of high-grade road construction services in China, with a focus on the construction of freeways as well as bridges and tunnels as part of its highway construction projects. Moreover, the Group is a leading provider of construction services in terms of revenue in the domestic market for bridges and tunnels, and has completed various bridge, tunnel and underground construction projects that meet international standards. It is also a leader in the construction of metropolitan railways, having participated or is currently participating in the survey, design and construction of metropolitan railway projects in all cities throughout China with such projects.

Since the Company's reorganisation in 2007, the provision of construction services has been the Group's traditional and core business. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, revenue generated from the construction operations before inter-segment elimination was RMB964,715.8 million, RMB987,324.5 million, RMB931,245.5 million and RMB434,599.6 million, respectively, accounting for 82.6 per cent., 81.7 per cent., 82.3 per cent. and 84.4 per cent., respectively, of its total revenue before elimination of inter-segment sales. For the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, gross profit generated from the construction operations before inter-segment elimination was RMB83,073.2 million, RMB87,614.0 million, RMB81,454.3 million and RMB32,277.3 million, respectively, accounting for 74.3 per cent., 73.7 per cent., 74.3 per cent. and 74.2 per cent., respectively, of its total gross profit before elimination of inter-segment sales. Through its subsidiaries, comprising construction group companies and CCECC the Company engages in the provision of domestic and overseas construction for projects such as railway, highway, bridge, tunnel, metropolitan railway, water conservancy and hydropower facility, airport, port, industrial and civil construction and municipal projects. Multiple projects were admitted as the Classic and Boutique Projects in the 35 Years of Reform and Opening-up by China Construction Industry Association, such as Beijing-Shanghai high-speed railway, Wuhan station of Wuhan-Guangzhou passenger dedicated line, Wuhan Yangtze River tunnel project, Qinling I of Xi'an-Ankang railway Line tunnel project, New Qinghai-Tibet Railway Golmud-Lhasa section project, Lanwu second line Wusheling extra-long tunnel project.

The Group has been engaged to provide services in all provinces, autonomous regions and municipalities of China. It is also involved in overseas infrastructure construction projects located in overseas countries, including those in Africa, Asia, the Middle-East and Europe, as well as Hong Kong and Macau.

Railway Construction

The Group's predecessor was the Railway Engineering Corps, and, therefore, the construction of railways have always been a significant part of the Group's core operations. The Group is one of the largest providers of railway construction services in China.

The Group has constructed multi-track and main railway lines, including landmark railway lines such as the Beijing-Xiong'an, Beijing-Zhangjiakou, Rye, Qinghai-Tibet (Phases I and II), Beijing-Kowloon, Datong-Qinhuangdao, Southern Xinjiang, Nanning-Kunming, Neijiang-Kunming, Guangzhou-Shenzhen, Qinhuangdao-Shenyang, Chongqing-Huaihua, Xi'an-Hefei, Yangshou-Huanghe, Xiangfan-Chongqing, Chengdu-Kunming, Yingtan-Xiamen, Baoji-Lanzhou railway lines and the Guangdong Sea Passageway. In 2020, the Group has completed laying track of the Inner Mongolia-Jiangxi Railway, which is the longest heavy haul railway in China. The Group has completed the following landmark railway or railway system projects in recent years:

- *Jintang Subsea Tunnel of Yongzhou Railway*: The Jintang Subsea Tunnel of Yongzhou Railway spans a total length of approximately 16.18 kilometers, with a shield-driven section of 11.21 kilometers, making it the world's longest and most water-pressure-resistant high-speed rail tunnel beneath the sea, capable of withstanding pressures up to 0.85 MPa. The project utilizes custom-built mega-diameter shield machines of "Yongzhou" and "Dinghai," each with a diameter of 14.57 meters, for the first-ever planned precision docking and in-tunnel disassembly of such equipment beneath the seabed.
- *Lanzhou-Xinjiang High-Speed Railway*: The Lanzhou-Xinjiang High-Speed Railway extends approximately 1,776 kilometers, representing the world's longest high-speed rail line ever completed and commissioned in a single phase. The project overcame world-class engineering challenges, including permafrost on high plateaus and complex "debris flow" geological conditions and successfully constructed the Qilian Mountain tunnel cluster, renowned as the "highest high-speed rail tunnel system in the world;
- *Guangzhou-Zhanjiang High-Speed Railway*: The Guangzhou-Zhanjiang High-Speed Railway was the project of the highest standard, in the longest length and with the largest investment in the history of Guangdong province. It connects the Guangdong-Hong Kong-Macao Greater Bay Area with Hainan Free Trade Port. It is also an important component of the high-speed railway system of the Beibu Gulf;
- *Hangzhou-Huangshan High-speed Railway*: The Hangzhou-Huangshan High-speed Railway passes alongside seven class 5A scenic spots and over ten national geoparks in China;
- *Shangqiu-Hangzhou High Speed Railway*: The Shangqiu-Hangzhou High Speed Railway, which is an important mainline through the central plain, Yangtze and Huai rivers and the Yangtze River Delta region, connecting the Zhengzhou-Xuzhou High-speed Railway, Beijing-Kowloon High-speed Railway and the Beijing-Xiong'an-Shangqiu High-speed Railway;
- *Beijing-Shanghai High-speed Railway*: The Beijing-Shanghai High-speed Railway is the world's longest high-speed railway ever constructed in a single phase. It has a total length of 1,318 kilometres, of which the Company undertook 46.8 per cent. of the construction, constituting the largest proportion of the construction contract for this high-speed railway in terms of contract value;

- *Qinghai-Tibet Railway (Phase I and Phase II)*: The Qinghai-Tibet Railway Line is the world's longest, highest and most technologically sophisticated plateau railway. This renowned railway project connecting Xining and Lhasa has two phases that commenced commercial operations in July 1984 and July 2006, respectively. The Group was responsible for the construction of 71.1 per cent., or approximately 1,406 km of both phases of the Qinghai-Tibet Railway Line, including, all construction beyond an altitude of 4,900 metres and the majority of the difficult railway lines beyond an altitude of 4,600 metres of Phase II of the railway, as well as the sections of the railway crossing the Tanggula and Kunlun mountains. The Group successfully overcame three significant challenges presented by permafrost, low oxygen levels due to high altitudes and the fragile ecology of the Qinghai-Tibet Plateau;
- *Chengdu-Kunming Railway*: The Chengdu-Kunming Railway is, with total length of 1,100 kilometres, entitled "Geological Museum" and regarded as the miracle in the history of the world's railway building for its extreme complexity in topography and geology;
- *Beijing-Tianjin Intercity Railway*: The Beijing-Tianjin Intercity Railway, which was completed in 2008, was the first intercity high-speed railway in China;
- *Nankun Qingshui River Railway Bridge*: The Nankun Qingshui River Railway Bridge, with a pier height of 100 metres, is the first railway bridge with pier over 100 metres high in China;
- *Yiwan Railway*: The Yiwan Railway is a mountain railway with the most complicated topography and geological conditions, and the most difficult and longest construction process in the history of China's railway construction;
- *Qinling Tunnel of Xikang Railway*: The Qinling Tunnel of Xikang Railway, completed in 1999, was China's longest railway tunnel at that time as well as the first railway constructed with the application of TBM; and
- *Harbin-Dalian Passenger Dedicated Railway*: The Harbin-Dalian Railway, completed in 2012, is the world's first high-speed railway constructed in alpine region.

Highway Construction

The Group is one of the largest providers of high-grade road construction services in China, with a focus on the construction of freeways as well as bridges and tunnels as part of the constructed highways. Its customers are mainly provincial or municipal transportation divisions and highway development companies. The Group has advanced technologies for constructing foundations and surfaces of highways and airport runways and held various Grade A qualifications to conduct highway general construction contracting services.

Since its inception, the Group has constructed freeways and highways located in all provinces, municipalities and regions in China, except Taiwan, with a total length exceeding 50,000 kilometres, including Béjaïa Expressway and the Shenyang-Dalian, Jinan-Qinghai, Taiyuan-Yangquan, Xuanwu-Dalian, Tongjiang-Sanya, Chengdu-Chongqing, Beijing-Zhuhai, Beijing-Shanghai, Beijing-Fujian, Beijing-Shenzhen, Beijing-Chengde and Jiangxi-Guangdong freeways. The Group has completed the following landmark highway projects in recent years:

- *Shuangyu Gate Grand Bridge*: The Shuangyu Gate Grand Bridge, with a main span of 1,768 meters, stands as the world's largest single-span suspension bridge utilizing a steel box girder design. Its cable towers feature an advanced composite structure of structural steel and concrete, ensuring exceptional strength and durability. The project incorporates internationally recognized, cutting-edge construction techniques, including the integrated hoisting of structural steel frameworks and prefabricated reinforcement components, underscoring its engineering excellence and global leadership in bridge innovation.
- *Guangwushan-Nuoshuihe Highway*: The Guangwushan-Nuoshuihe Highway connects seven important scenic sites in Bazhong city. It is conducive to the formation of a fast, convenient and comfortable tourism channel and the construction of a comprehensive tourism transportation network of "fast transportation and slow tourism". It comprises three provincial roads, and connects two highways and two national roads.
- *Wuhan-Songzi Highway (Jiangling-Songzi section)*: The Wuhan-Songzi Highway (Jiangling-Songzi section) is the key construction project in Jingzhou and in the 13th Five-Year Plan for the National Economic and Social Development of the Department of Transport of Hubei Province.
- *Section Wutong Daquan-Mulei of Beijing-Urumqi Freeway*: The Beijing-Urumqi Freeway is a significant landmark project of the "Belt and Road Initiative" and the world's longest cross-desert freeway. Its Wutong Daquan-Mulei section has a total length of 515 kilometres.
- *Xiamen Xiang An undersea Tunnel*: The Xiamen Xiang An undersea Tunnel is China's first cross-sea tunnel.
- *Shenyang-Dalian Freeway*: The Shenyang-Dalian freeway was China's first freeway and was later expanded to become its first eight-lane freeway. It is 375 kilometres long and connects Shenyang and Dalian, two major cities in northeastern China. The Group completed the groundwork for this freeway in 1990, which has a total length of 28 kilometres. It also participated in the expansion project for this freeway, which was completed in 2004.
- *Longtan River Bridge*: The Longtan River bridge has the highest pier in Asia.
- *Nanjing Yangtze River Tunnel*: The Nanjing Yangtze River Tunnel is the most technologically sophisticated tunnel crossing the Yangtze River. The diameter of the shield tunneling machine used in this project is the greatest in the world.
- *Qinling Zhongnan Mountain Highway Tunnel*: The tunnel is entirely designed and constructed by the Group, and was the longest twin-tubes tunnel implementing the highest technical norms in 2007 in the world.

Metropolitan Railways

The Group is a leader in the construction of metropolitan railways in China. It independently constructed the first subway in China — Line One of the Beijing City Subway. It has participated or is currently participating in metropolitan railways projects in all cities throughout China with such projects, including Dalian, Tianjin, Chongqing, Wuhan, Beijing, Guangzhou, Shanghai, Nanjing, Shenzhen, Urumqi, Huhhot, Changchun, Chengdu, Nanjing, Qingdao, Hangzhou and Huzhou. In recent years, the Group has significantly developed its metropolitan railway business. The Group has made certain breakthrough achievements in the construction of urban light rail systems, shield tunneling, pile foundation underpinning, large cross-section excavation technology in complex geographical conditions and the utilisation of anti-vibration and noise reduction technologies for metropolitan railway lines. The Group's customers mainly consist of transportation bureaus and transportation system operators of major cities in China. Landmark metropolitan railways constructed by the Group include Wuhan Metro Line 6 and Nanning Metro Line 3. The Group also constructs railway stations such as Kunming South Railway Station.

The Group has also completed the following landmark tracks and metropolitan railway projects in recent years:

- *Shanghai Maglev Demonstration Line*: In 2001, the Group participated in the construction of this maglev track, which is the first and only maglev track currently in commercial operation in China. The track recorded maximum train speed of up to 432 kilometres per hour during trial operations. The project was completed in 2002 with a total contract value of RMB540 million. The Group is currently the only company in China possessing proprietary knowledge of high-precision maglev track beam manufacturing technology and has obtained two intellectual property rights for technologies developed for this project.
- *Beijing Metropolitan Railway Lines*: The Group has constructed subway routes No. 1, No. 2, No. 4, No. 5, No. 10, No. 13 and the Bawangfen-Tongzhou Line of the Beijing Metropolitan Railway Lines System, the combined subway and light rail connecting Beijing Capital International Airport with the city centre of Beijing. The construction of routes No. 1 and No. 2 was completed in 1989 with a total contract value of RMB1.7 billion. As part of the subway line crossing the city centre, the Group employed underground excavation technology to minimise interference with city centre traffic.
- *Chongqing Light Rail*: This is a straddle-type, single-rail transportation system. The Group used its own PC beam technology with three patents in the beam body, mold and construction methods, and successfully overcame difficulties such as steep slopes, multiple curves and the manufacture and erection of an S-shape reverse curve PC beam. The project was completed in 2004 with a total contract value of RMB110.0 million. In 2005, this project received Top Ten Construction Technology Achievement in China collectively by the Ministry of Construction, the MOR, the MOT, the Architectural Society of China and China Construction Industry Association.
- *Extension for West-end of No. 2 Subway in Shanghai*: The project is an extension of the west-end of the No. 2 Subway in Shanghai with a total length of approximately 6.1 kilometres. The Group was engaged as the general contractor and completed the groundwork as well as the construction of the electrical engineering system and railways of all sections between stations. The project was completed in 2006 with a total contract value of RMB3.6 billion.
- *Macau Light Rail (Hengqin Line)*: The light rail line extends approximately 2.2 kilometers in length, including a structure shield tunnel of approximately 906 meters in length, which is excavated by Aoqin No. 1, an earth pressure balance shield of 8.01 meters in diameter.

Other Construction Projects

The Group also participated in the construction of other types of projects, such as water conservancy and hydropower facilities, electric engineering, airport, port and municipal construction projects.

The Group is expanding its business of construction or reconstruction of airports, train stations and ports and expects to generate substantial profits from such business in the future. The Group's major customers for such business are the transportation divisions of provinces and cities, administrators of airports and ports, and construction project entities established and managed by central or local governments. The Group has designed and/or participated in the construction of a significant number of airport projects as well as ports and train stations, such as the Beijing International Airport Terminal 3, Hongqiao and Pudong Airports in Shanghai, Huanghua Airport in Changsha, Meilan Airport in Hainan, Wenzhou Airport, Jiangbei Airport in Chongqing, Qingdao Harbor Project, the new Guangzhou Train Station and the new Wuhan Train Station. The Group won the Lu Ban Prize granted collectively by the Ministry of Construction and China Construction Industry Association for the construction of Wenzhou Airport, Jiangbei Airport in Chongqing and Dayaowan Phase I of Dalian Port. The Group also participated in the construction of the Jinan-Yellow River Tunnel, which is the first tunnel under the Yellow River. In addition, the Group contracted to construct and completed the first TBM coal inclined shaft, i.e., No. 2 auxiliary shaft of Shenhua Shen Dong Bulianta Mine in 2015 by leveraging on its advanced technology development in the TBM industry.

The Group also constructs real estate projects and has built a reputation for high quality. For example, the Sinosteel Mansion that the Group constructed was recognised by the Beijing Municipal Construction Committee as a project meeting leading international standards. The Group received Lu Ban Awards for its other projects, such as The Library of the Chinese Academy of Sciences in Beijing, the Natural Science Buildings Group of Peking University and the Headquarters of the China Construction Bank, or Xinda Finance Tower. The Group constructed Gui'an • Hua Yu Shu, located at the Gui'an New Area in Guiyang, with a total area of land for construction of about 110,000 sq.m. and a total floor area of about 310,000 sq.m. Gui'an • Hua Yu Shu is a landmark project the Group completed in Gui'an New Area. Chengdu Qingxiu Weizhe Mountain project, with a total floor area of 760,000 sq.m. and a total area of land for construction of 415 mu, is a high-end benchmark product developed on the basis of understanding of city renovation and international design by the Group in Chengdu. Another key real estate project developed by the Group is Jiaxing Huayu Jiangnan, which is located at the Nanhu District, with a total area of land for construction of 56,000 sq.m. and a total floor area of 170,000 sq.m. The project consists of two parts, the southern part of which develops high-rise residential buildings and the northern part are Chinese courtyards. The Group is also involved in the first future community project, namely Wenzhou Lucheng Future Community, with a total gross floor area of 136,800 square metres and a total area of land for construction of 353,500 square metres.

Overseas Construction Projects

The Group has been included in the *"Top 250 Global Contractors"* by ENR with ranking No. 3 in 2025. It conducts overseas operations mainly through its subsidiary, CCECC, which was established in 1979 and is one of the first Chinese companies to enter the international construction market. CCECC was formerly a foreign aid office of the MOR that organised and implemented the Tanzania-Zambia Railway Project, China's largest foreign aid project at the time. CCECC specialises in railway construction, including construction, design and consultancy, and cooperative labour arrangements in overseas countries and regions.

To implement the strategies of “Going Global” and “Going International” and enhance the Group’s competitiveness in the international market, on 20 March 2012, the Group established China Railway Construction International Group Co., Ltd to undertake overseas construction projects. Over the years, the Group has gradually established “CRCC” and “CCECC”, the two brand names it owns, and its reputation in the international construction industry. As at 31 December 2024, the Company’s overseas business spanned 148 countries and regions as well as in Hong Kong, Macau and other regions in the overseas markets. As at 31 December 2024, 1,698 overseas projects were under construction. These efforts have established a solid foundation for its further development in overseas markets. In 2017, the Group completed the Gantas Tunnel in Algeria, which was the longest tunnel in North Africa. In 2018, the Group successfully completed annual operation tasks of overseas projects, such as Addis Ababa-Djibouti Railway and Mecca Light Rail. The Group was deeply involved in the China-aided African Union Africa Centres for Disease Control and Prevention (Phase I) Headquarters Project, the Salvador Sea-Crossing Bridge Project in Brazil, and the Blue Sky Hotel Project in Dubai. The Group also participated in the construction of key venues for the 2034 FIFA World Cup in Saudi Arabia.

For the year ended 31 December 2022, 2023 and 2024 and 30 June 2025, revenue generated from overseas operations was RMB54,078.5 million, RMB60,309.9 million, RMB65,898.7 million and RMB37,089.5 million, respectively.

Significant overseas projects completed by the Group include:

- *China-Kyrgyzstan-Uzbekistan Railway*: The China-Kyrgyzstan-Uzbekistan Railway is a flagship infrastructure project jointly endorsed by the heads of state of China, Kyrgyzstan, and Uzbekistan as a landmark collaboration under the Belt and Road Initiative. This strategic undertaking is designed to significantly strengthen cross-border connectivity between China and Central Asia, fostering regional integration and driving long-term economic growth.
- *Tanzania-Zambia Railway Revitalization Project*: Endorsed by the heads of state of three nations through the signing of a Memorandum of Understanding, the Tanzania-Zambia Railway Revitalization Project is widely recognized as the “Road of Friendship” and the “Road of Freedom,” symbolizing enduring China-Africa cooperation. This transformative initiative will modernize the entire 1,860-kilometer TAZARA Railway, boosting freight capacity by twelvefold and reducing transit times by nearly two-thirds, thereby significantly improving regional trade efficiency and connectivity.
- *Solomon Islands 2023 Pacific Sports Game Stadium*: The project was the first large scale construction project under comprehensive assistance plan projects after the establishment of the diplomatic relations between the Solomon Islands and the PRC. The stadium is located in the capital of the Solomon Islands, covering around 26,000 square meters. It hosted the 17th Pacific Sports Game in 2023 and hosted more than 5,000 athletes from more than 24 countries at the time.
- *Ciel Tower Project in Saudi Arabia*: The building constructed is the highest hotel architecture in the world at the time. The hotel has a GFA of more than 100,000 square meters, with the highest point reaching 373.5 meters above the ground. The project overcame various challenges during the construction, including one-time filling of concrete of 7 meters in length (approximately 8,000 cubic meters) and building of a 50 meters in height super-high tower scaffolding.
- *Magufuli Bridge*: It is the longest cable-stayed bridge in Africa. The bridge extends 4.66 kilometers with four lanes in both directions, and a designed travel speed of 120 kilometres per hour.

- *Algeria East-West Highway*: It runs 1,216 kilometers along the Mediterranean coast north of Algeria to connect Tunisia in the east and Morocco in the west. Going through 24 provinces to benefit 90 percent of the Algerian population, it is the largest foreign currency project since the founding of the People's Democratic Republic of Algeria. It is known as the Presidential Project and the Century Project and the winning bid section is honored as Algeria Engineering Textbook by the Algeria engineering community. Moreover, it received the 15th Zhan Tianyou Engineering Award, the Outstanding Contribution Award for Sino-Algeria Cooperation, the 2020-2021 National Quality Engineering Gold Award, and the top ten influential projects between China and Algeria.
- *Salvador-Itaparica Sea-crossing Bridge and Complementary Highway Project in Brazil*: This project has a total length of 46.8 kilometres and is comprised of two road systems and a cross-sea bridge. The bridge crossing Salvador and Itaparica, a double-tower and double-cable bridge, is 12.4 kilometres in length and is designed of two-way six lanes with two pavements. This project is implemented in PPP model and is planned to have a construction period of five years and an operation period of 30 years. The contract value amounted to RMB7.8 billion.
- *Qatar Lusail Stadium*: The Group has completed Qatar Lusail Stadium, which is known as the “No. 1 Project” of Qatar. The stadium has a construction area of 180,000 square meters and a capacity of 92,000 spectators. It was the first time for a Chinese enterprise to participate in the construction of the world's highest standard professional football stadium as a general contractor of design and construction. The projects adopted various technologies that were the most advanced in the world. The contract value of the project amounted to U.S.\$769 million.
- *Ankara-Istanbul High-speed Railway (Phase II)*: The first high-speed railway constructed by PRC enterprises in overseas countries. The Ankara-Istanbul high-speed railway in Turkey has a total length of 158 kilometres with a designed speed of 250 kilometres per hour. The construction of the main part of Phase II was completed in January 2014 and the total contract value was approximately U.S.\$1.3 billion.
- *Hong Kong West Rail*: One of the largest infrastructure construction projects in Hong Kong, the project was owned by the Kowloon-Canton Railway Corporation (KCRC), which is now a part of the MTR Corporation Limited. The Group participated in the construction of Tuen Mun Station, Siu Hong Station, Yuen Long Station, Long Ping Station and four sub-sections of the north rail section. The project was completed in 2003 and the total contract value was approximately HK\$4.9 billion.
- *Construction and maintenance of the Nigeria Railway System*: The Group participated in the maintenance and construction of the Nigeria Railway System. The project was completed in 2003 and the total contract value was approximately RMB4.4 billion.
- *Macau Parliament Building*: For this landmark building in Macau with a total construction area of 17,500 sq.m., the Group constructed the main structure and undertook the decoration works. The project was completed in 1999 with a total contract value of 112.4 million patacas.
- *East Wing of the Venetian Casino in Macau*: The East Wing of the Venetian Resort project, where the casino and mall are located, was completed in 2007. The Group worked with other parties jointly as the general contractor on this project. The total contract value of this project was 101.0 million patacas.

- *Tanzania-Zambia Railway Project:* The Foreign Aid Office of the MOR, the predecessor of CCECC, the Group's subsidiary, organised, designed and constructed this project on behalf of the PRC Government. This project involved the construction of a 860-kilometres railway line, 320 bridges, 22 tunnels, two large locomotive plants, one training centre and approximately 376,000 sq.m. of buildings. This project was completed in 1975 and was the first foreign railway construction project supported by the PRC Government with a total contract value of RMB988.0 million.
- *Angolan Railway Re-construction Project:* The Angola Railway was the longest overseas railway constructed by the Group.
- *Addis Ababa-Djibouti Port Railway Project:* The Addis Ababa-Djibouti Port Railway is a significant landmark project of "Belt and Road Initiative". The project was completed in 2016 and was known as the "Tanzania-Zambia Railway in the new era". This was the first overseas cross-border railway adopting Chinese standards in whole industrial chain and the first electrified railway in Africa, with a length of 752.7 kilometers, and honoured 2016 China Railway Construction Cup Award in 2016, Sustainable Infrastructure Projects Outside China in 2017 and China Construction Engineering Luban Award (Overseas Project) in 2018-2019.
- *Mecca Light Rail Project:* It was the first light rail built by a Chinese company in the Middle East and the first light rail in Saudi Arabia.
- *Tajikistan Vahdat-Yavan Railway Project:* It was the first railway project of "Belt and Road Initiative". The length of the project is 48.65 kilometers with a total investment of U.S.\$72.0 million.
- *Abuja Metropolitan Railway Project:* This is the first metropolitan railway project in the West Africa and completed in 2018.
- *Abuja-Kaduna Railway Project:* The Abuja-Kaduna Railway is the first modernised railway adopting Chinese standards in the overseas railway projects. The railway was completed in 2016.

Qualifications and Awards

As of the date hereof, the Group holds a broad range of construction qualifications through its subsidiaries. These qualifications enable the Group to undertake different types of construction projects including, but not limited to, railway, highway, metropolitan railway, water conservancy and hydropower facility, industrial and civil construction and municipal projects.

As at 31 December 2024, the Group had 107 extra-grade general contracting qualifications, ranking atop in construction companies nationwide. In 2024, the Group obtained seven new special grade qualifications as general contractor for construction enterprises.

As at 31 December 2024, the Company had cumulatively received 90 National Prizes for Science and Technology, 167 Zhan Tianyou Civil Engineering Awards, 593 National High-Quality Projects Awards (including 52 Gold Awards), 184 Luban Prizes for China Construction and 5,654 engineering methods above provincial level.

Technology, Research and Development

With its advanced technologies and strong research and development capacities, the Group held 40,638 valid patents and received above-provincial level recognition of 5,654 for engineering methods as at 31 December 2024. Since 2025, the Group was granted 3,033 new patents, including 1,153 patents for invention.

Business Models

The business models the Group adopts in its construction operations mainly include construction contracting, project management contracting, EPC, PPP and BOT.

- *Construction contracting*, by which the contractor performs the constructions work in accordance with the construction plan and design supplied by the customers and is generally only responsible for the construction work. The project owner is generally responsible for the procurement of raw materials and controls the project timetable.
- *Project management contracting*, by which the contractor performs the construction contract in accordance with the designs and timetable supplied by the designers and project owner. The contractor generally takes full responsibility for the project while it is allowed to subcontract part of the project to third parties. During the construction process, the project owner will supervise the construction work with the assistance of the designers or retain a supervisor to monitor the progress of the project. Project management contracting is usually adopted by middle- to large-scale construction enterprises.
- *Engineering, procurement and construction*, or EPC, by which the contractor undertakes all or part of the survey, design, procurement, construction and trial operations on a turnkey basis. An EPC contractor is responsible to the project owner for the quality, time progress and costs of the construction. EPC is generally adopted in the global construction market.
- *Public Private Partnership*, also known as PPP, by which the construction company cooperates with government entity to invest, construct and manage construction projects, mainly infrastructure construction projects, and assume risks and share profits together.
- *Build-Operate-Transfer*, also know as BOT, by which the construction company is normally granted concessions by the government to finance, design, construct, and operate large infrastructure projects for a specific period, typically several decades, and return the ownership of the projects to the government afterwards. It is a common form of PPP.

Subcontractors and Joint Ventures

In the domestic market, the Group generally submits tenders for projects on its own to act as the turnkey contractor, because as an integrated construction company, it is able to execute such projects with its own resources. In the overseas market, the Group submits tenders for overseas projects both on its own and as a member of a joint venture or a consortium. Where the Group acts as a member of a consortium or joint venture, it shares the scope of work and responsibilities with the other consortium members or joint venture partners as defined in the consortium or joint venture agreement, respectively. It normally bears joint and several liabilities to the project owner with other members of the consortium or joint venture, as provided for in the consortium or joint venture agreement. It generally undertakes construction projects as an independent contractor. In most of its joint construction projects, the Group enters into a consortium with other parties and decides each party's share of interest through negotiations based on the underlying agreement. Parties will share the revenue according to the share of interests and be jointly liable for the quality of the construction projects.

The Group acts as the turnkey contractor in most projects. When necessary, it subcontracts within the Group, employs temporary workers or outsources to independent third-party subcontractors to provide certain services that the Group is unable to or do not generally provide, or if it requires additional labour as a result of manpower shortages or where it is required to accelerate the rate of work on a project. Terms of the master contract are reflected in the Group's contracts with subcontractors. The Group and its subcontractors are jointly liable with regard to work safety on a subcontract. In selecting independent third-party subcontractors, the Group considers factors such as previous cooperation experience and its evaluation of their performance. It requires the same standards of work to be performed by subcontractors as it would expect of work done by its own subsidiaries. The Group has adopted a stringent evaluation mechanism to test and review the qualifications of those subcontractors it considers for retention. In order to ensure the quality of the subcontractor, the Group carries out measures including the implementation of stringent evaluations to monitor quality, performance and credit history of each subcontractor and apply its quality control requirements to monitor and supervise subcontractor through construction. In addition, pursuant to either its contracts or applicable laws, the Group is ultimately liable to project owners for the entire construction project and, as such, the Group maintains close supervision over its subcontractors' performance to ensure high-quality work. It maintains a list of preferred subcontractors that is regularly reviewed and updated. It also maintains long and close relationships with reliable subcontractors through training programs and technical cooperation arrangements.

Seasonality

The Group's construction business is subject to seasonality, mainly due to the vast territory of China and the different climate conditions of various regions in which the Group operates. It typically records higher revenues between July and December relative to revenues recorded between January and June. The Group attributes this seasonality to the effect that the winter months (generally from January to March) have on its construction operations in the northern part of China as well as the effect of the Chinese New Year during which some of its projects and construction are halted. As a result the Group may experience cost increases or delays in progress when conducting its business operations during particular seasons.

Raw Materials and Suppliers

The Group adopts three different methods of procurement for its construction operations, namely, procurement by owner, procurement controlled by owner and procurement by contractor, in accordance with different provisions under its construction contracts. The raw materials it uses for infrastructure construction include steel, cement, explosives, waterproofing materials, admixtures and track materials.

Certain raw materials, such as steel, explosives, wood and cement, are usually purchased by the project owners, and the Group compiles a list for the main raw materials required for its construction and then submits the list to the owner. After the project owner confirms such list, it will purchase the raw materials accordingly. Electricity and fuel are the main types of energy the Group uses. It obtains water supplies from local sources depending on the location of the Group's projects. During recent years, the Group has not encountered any significant shortages of electricity, fuel or water supply.

Procurement controlled by the owner means that the owner will first supervise the contractor in the organisation of the bidding and determination of the raw materials supplier, then the contractor will negotiate business terms and enter into a purchase agreement with the suppliers designated by the owner. Most of the Group's contracts are fixed-price contracts under which the Group is responsible for procuring raw materials. The procurement costs consist of part of its construction costs and the owner will not refund the payments already made for raw material procurement.

Currently, the Group's purchases of equipment and raw materials are all made through a centralised procurement system, which enables the Group to reduce its procurement costs, ensure consistent quality and supply of raw materials and increase its value. The Group launched the e-commerce platform in March 2011, which has integrated functions including the preparation and approval of procurement plans, suppliers evaluation, communications with suppliers and the overall management of the procurement process.

By entering into long-term purchase agreements or strategic alliances with suppliers, the Group believes that it has maintained stable relationships with its main suppliers of raw materials, which has enabled it to secure reliable supplies of raw materials used in infrastructure construction. It also believes that the raw materials it purchases are commodities generally available in the market. In addition, the Group conducts logistics and materials supply businesses and therefore anticipate that it will not be difficult to procure sufficient raw materials.

Marketing and Customer Relationships

The Group's major customers are PRC Government agencies at both the national and provincial and local levels as well as other state-owned enterprises, which the Group considers with good credit quality. The Group's largest customers of its domestic construction operations are primarily business entities set up and managed by central and local governments. The largest customers of its overseas construction operations are primarily governmental and semi-official entities.

With integrated capacity and strong reputation, the Group maintains close relationships with its customers. The Group consistently upholds concept of being customer-oriented when serving its customers. The Group values, abides by business ethics and the endeavors to provide customers with fair services. It rapport with its customers committed to building a long and good relationships, values the feedbacks from customers. It works closely with professional institutions and consulting companies to obtain significant project information and potential business opportunities. It also designates specific personnel to observe public bidding announcements of significant construction projects.

PLANNING, DESIGN AND CONSULTANCY

Overview

The Group is a leading provider of planning, design and consultancy services to the domestic infrastructure construction industry in terms of revenue. There are four level II large-scale design institutes with comprehensive Grade A qualifications for engineering design and 24 level III and below professional design institutes under management of the Group as at 31 December 2024. Its planning, design and consultancy business mainly focuses on railways, bridges, tunnels, metropolitan railways, freeways, public projects, industrial and civil buildings, airports and ports whilst keeping expanding into the emerging industries and areas, such as magnetic suspension transport, travel rail transits, intelligent transport, modern tramcar, urban utility tunnel, urban underground space, ecological environment and energy conservation and environmental protection. It had provided planning, design and consultancy services for major construction projects at the national and provincial levels as well as survey and design services for passenger railways. The Group is highly competitive in the survey, design and consultancy industry in China. According to ENR's "Global Top 150 Engineering Design Companies", the Group ranked 23rd in 2025. The Group possesses comprehensive capabilities for the planning and design of railways, including those situated on high plateaus and in mountainous regions, permafrost zones and deserts, as well as sophisticated technologies for electrified railway lines, passenger railway lines, underwater construction, long tunnels, wireless train dispatching and scheduling systems and large interchange traffic construction. Its survey and design technologies are among the most advanced in China and are considered advanced by international standards. Its planning, design and consultancy operations extend throughout China and a number of overseas countries and regions. Major customers of

the Group's survey, design and consultancy operations include government agencies and business entities set up and managed by central and local governments, such as construction project companies.

The landmark projects the Group has completed include:

- Guangzhou-Zhanjiang High-Speed Railway, which was the project of the highest standard, in the longest length and with the largest investment in the history of Guangdong province. It connects the Guangdong-Hong Kong-Macao Greater Bay Area with Hainan Free Trade Port. It is also an important component of the high-speed railway system of the Beibu Gulf;
- all of Phase I and Phase II of the Qinghai-Tibet Railway Line, the highest plateau railway in the world;
- the Beijing-Kowloon Railway Line, which has received the largest amount of investment at the time for any railway project in China and is China's largest and longest railway line constructed in a single phase;
- the Zhengzhou Hub, the largest railway hub in Asia;
- the Dayaoshan Railway Tunnel, the longest electrified twin-track railway tunnel in China;
- the Guangzhou-Shenzhen Quasi High-Speed Railway Line, the first quasi high-speed railway in China;
- Lanzhou-Urumchi High-speed Railway, the longest one-off constructed high-speed railway in the world;
- Hefei-Fuzhou High-speed Railway, the designed speed of which is 300 kilometres per hour and the fourth double-track electrified railway in China;
- Guiyang-Guangzhou High-speed Railway, the first high-speed railway in China with a speed of 300 kilometres per hour in mountain area; and
- Xin Guan Jiao Tunnel, which was the longest tunnel in China in and the fifth longest tunnel in the world.

The Group has been analysing both domestic and international railway construction markets in depth, and has devoted significant resources to the research of railway repairs in times of war or military conflict, the design and construction of railways on plateaus and in areas prone to sandstorms, soft soil railway construction, large-scale mountain railway tunnel construction, the design and construction of cross-river and cross-sea railway bridges or underwater tunnels, subway construction, bridge design and construction, non-ballast tracks, and "four-electrification" equipped projects for passenger railways. It has also developed industry-leading technologies, equipment and construction methods. The major landmark projects undertaken by the Group in its railway survey, design and consultancy business in recent years include (i) Qinghai-Tibet Railway, which was the world's highest and longest plateau railway; (ii) Baoji-Chengdu Railway, which is China's first electrified railway; (iii) Baotou-Lanzhou Railway, which is China's first railway built in desert; (iv) Yichang-Wanzhou Railway, which is a mountain railway with the most complicated topography and geology and the most difficult construction process in China; (v) Shenzhen-Shantou High-speed Railway, which is an important part of the coastal high-speed railway corridor and an important infrastructure for promoting the Guangdong-Hong Kong-Macao Greater Bay Area; and (vi) Sichuan-Tibet Railway, which is a high-speed railway connecting Sichuan province and Tibet autonomous region. It is the second railway to Tibet in China.

Other Planning, Design and Consultancy Business

In addition to the railway sector, in recent years, the Group has also engaged in activities such as the design of highways, bridges, tunnels, municipal projects and metropolitan railways. In addition, it has conducted technology research and development in major municipalities and cities, such as Beijing, Shanghai, Xi'an, Shenzhen, Nanjing, Guangzhou, Harbin, Chengdu and Chongqing, to design subway systems and structural technologies, design and construct large-scale structures and railway stations, and to conduct survey and inspections. The Group was awarded the copper medal for the National Excellent Project Design in 2000 for its design services relating to the construction of the highway serving the Three-Gorges Hydropower Station on the Yangtze River. It was also awarded silver medals for the National Excellent Project Survey in the years 1996 and 2000 for the provision of survey services for the Tianjin New Harbor and 108 National Freeway construction projects, respectively. The landmark projects undertaken by the Group in its other survey, design and consultancy business include the Wuhan Yangtze River Tunnel, which has a total length of approximately 3,295 metres, with over 1,300 metres lying under the riverbed. It is located between the Wuhan Yangtze River Bridge and No. 2 Wuhan Yangtze River Bridge and is a two-way, four-lane tunnel. The Group was responsible for this entire project with a total contract value of RMB30.0 million. The two-way and four-lane Slender West Lake Tunnel is another Group's landmark project in its survey, design and construction business, with a total length of approximately 3.6 kilometres which required to use of a 14.93 metre shield for construction. The Group has also undertaken the survey and design of Ningbo-Zhoushan railway, which will end the absence of railway in Zhoushan islands after its completion. The Group is also planning to construct a cross-harbour high-speed railway tunnel, which is expected to become the first cross-harbour high-speed railway tunnel in China as well as the longest cross-harbour high-speed railway tunnel in the world.

Qualifications

The Group possesses certificates issued by relevant governmental authorities, which demonstrate its qualifications for construction surveying, construction design, construction assessment, design and consultancy, engineering surveying, geological hazards prevention evaluation, designing supported by intelligent design software, and environmental impact assessment and surveying. The Group makes significant efforts on quality control, environmental protection and safety to ensure compliance with the requirements for the certificates it holds and continues its research and development of technology to maintain its certificates and relevant qualifications. In addition, the China Railway First Survey and Design Institute Group Co., Ltd. and China Railway SIYUAN Survey and Design Group Co., Ltd. are fellow members of the International Federation of Consulting Engineers.

Awards

The Group possesses comprehensive technologies for the survey and design of railways, including those situated on high plateaus and in mountainous regions, permafrost zones and deserts, as well as sophisticated technologies for electrified railway lines, passenger railway lines, underwater construction, long tunnels, wireless train dispatching and scheduling systems and large interchange traffic construction. Its survey and design technologies are among the most advanced in China and are considered advanced by international standards. From 1982 to 30 June 2025, the Group received multiple international awards, national awards and provincial awards for its planning, design and consultancy works, including:

- The “*Special Invention Award and Gold Medal*” in 2025 at the 50th Geneva International Exhibition of Inventions;
- The “*FIDIC Outstanding Award*” in 2025 by International Federation of Consulting Engineers for the Guangzhou Baiyun Station Integrated Transport Hub project;
- The “*FIDIC Excellence Award*” in 2024 by International Federation of Consulting Engineers for the Quanzhou Bay Cross-Sea Bridge project;

- The “*George S. Richardson Medal*” in 2020 by International Bridge Conference for Yangsigang Yangtze River Bridge in Wuhan;
- The “*Outstanding Prize for Engineering Project*” in 2018 by the International Federation of Consulting Engineers for Hefei-Fuzhou High-speed Railway;
- The “*Excellence Prize for Engineering Projects*” in 2018 by the International Federation of Consulting Engineers for the West Qinling Tunnel of Lanzhou-Chongqing Railway;
- The “*Excellence Prize for Engineering Projects*” in 2017 by the International Federation of Consulting Engineers for the Slender West Lake Tunnel in Yangzhou;
- The “*The First Prize of National Science and Technology Progress*” in 2004 and 2012 by the National Science and Technology Award Committee, “*Gold Prize for National Geological Survey*” in 2005 and “*Gold Prize for National Excellent Projects*” in 2006 for design work on the Qinling Tunnel of Xi’an-Ankang Railway Line;
- The “*Gold Prize for National Design Excellence*” in 2000 for the design of the Guangzhou-Shenzhen Quasi High-Speed Railway Line;
- The “*Gold Prize for National Design Excellence*” in 1999 for general design work for the Beijing-Kowloon Railway Line;
- The “*Gold Prize for National Design Excellence*” in 1993, received for the Xuzhou Interchange Terminal Extension and related construction;
- The “*Special Prize for the Advancement of Science and Technology of China*” in 1992 for the Dayaoshan railway tunnel; and
- The “*Special Prize for the Advancement of Science and Technology of China*” in 1987 for sand-controlling construction of the Baotou-Lanzhou Railway project.

The awards the Group received are generally reviewed and granted annually or every two years and are a testimony of the Group’s well-established brand name.

Design, Research and Development

As at 31 December 2024, the Group had one member of the Chinese Academy of Engineering, 10 National Survey and Design Masters, 11 national candidates of the “Bai Qian Wan Talents Project” and 309 experts who are recipients of special subsidies granted by the State Council, all of whom possess strong design, research and development capabilities and the capacity to conduct research and development of new construction technologies and equipment according to the needs of the Group’s customers.

The core competencies of the Group’s primary research institutes are as follows:

- *China Railway First Survey and Design Institute Group Co., Ltd.*: design of large-scale mountain railway tunnels, as well as plateau and desert railways;
- *China Railway SIYUAN Survey and Design Group Co., Ltd.*: design of railways on soft soils and other special terrains, as well as the design of cross-river and cross-sea tunnels and special bridges. It has been exploring the provision of design and consultancy services for the construction of highways, metropolitan railways, inter-city passenger lines and municipal projects;

- *China Railway Shanghai Design Institute Group Co., Ltd.*: design of metropolitan railways; and
- *China Railway Fifth Survey and Design Institute Group Co., Ltd.*: research, development and production of equipment, construction machinery, tools and related technologies for railway and metropolitan railway construction projects and the research and development of other mobile machinery for bridge construction.

The Group believes that its design teams' constant technological improvements and innovative activities in various projects will enable it to integrate its survey, design and consultancy operations with other business operations, thereby allowing the Group to provide its customers with optimised services.

Customers

Major customers of the Group's survey, design and consultancy operations include government agencies and business entities set up and managed by central and local governments.

MANUFACTURING

Overview

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

The Group designs, researches, develops, manufactures and maintains large rail track maintenance machinery, as well as maintenance and construction components for the track system through its subsidiaries, including China Railway Construction Heavy Industry Co., Ltd. and CRCC High-Tech Equipment Corporation Limited. China Railway Construction Heavy Industry Co., Ltd. focuses on the manufacture of railway switches and rail fasteners for high-speed railways and commenced production in early 2008. It was appointed by the MOR as one of the only two designated manufacturers of high-speed railway switches. It has the most advanced and fully equipped shield/TBM professional production line with largest production capacity in China and it has self-developed high-end shield/TBM with its own intellectual property rights. Composite EPB shield is one of the key products of China Railway Construction Heavy Industry Co., Ltd. with the largest market share among shield market. In addition, it has world leading self-developed mining tunnel machinery and the most advanced production lines for turnouts, elastic fasteners and brake shoes, with exports to the United States and Canada. The Group expects that the manufacture of high-speed railway track components will become a substantial part of its manufacturing operations. On 22 June 2021, the shares of China Railway Construction Heavy Industry Co., Ltd. were listed on the Science and Technology Innovation Board to the Shanghai Stock Exchange.

On 16 Dec 2015, CRCC High-Tech Equipment Corporation Limited was listed on the Stock Exchange of Hong Kong Limited. It is Asia's largest and the world's second largest manufacturer of large-scale road maintenance machinery and manufactured a series of large products in line with China's railway market, such as cleaning and screening machines, tamping, ballast matching machines, and stabilizers, which has changed the history of manual maintenance of railways in China.

In manufacturing business segment, there are three main products line, i.e. equipment manufacturing, material production and precast concrete production. In particular, the Group manufactures large rail track maintenance machinery, underground construction equipment, rail construction equipment, concrete construction equipment, lifting equipment, bridge construction equipment, compacting equipment, concrete products, bridge steel structures, turnout and spring bar fastener, and electric contact wire and parts.

The Group independently develops and manufactures large rail track maintenance machinery, including tamping machines, continuous tamping machines, track switch tamping machines, full section track bed ballast processors, switch grinding machines, dynamic stabilisers, ballast distributing and trimming machines, turnout laying and changing machines and bulk material automatic loading machines. The Group also develops and manufactures maintenance machinery products for passenger railways, including track grinder cars and railway shunting equipment. In 2017, the demonstration project of "Key Technology Research and Demonstration of Long-distance Inclined Shaft in Shield Construction Coal Mine" successfully passed the acceptance test, which was the first inclined shaft in coal mine adopting shield construction in China.

The Group is one of the largest manufacturers of large rail track maintenance machinery with over 80.00 per cent. of the domestic market share in China in 2024. The Group offers intelligent and integrated solutions to the construction of tunnels which serve the projects of railways, urban rail transit and highway construction, municipal and utility construction, water conservancy facilities and power project construction as well as mine construction. The Group is one of the largest advanced shield machine manufacturer with a comprehensive product line in China in terms of production capacity, and also the only mine inclined-shaft shield machine producer in China. The Group's railway track equipment related products, such as turnout products, fastener and clip products and brake pad and shoe products have been widely applied in national railway construction, including high speed railway, major railway and urban rail transit.

Raw Materials and Energy Suppliers

The Group purchases raw materials for its manufacturing operations through a purchase plan using the bidding method. The primary raw materials it purchases include steel, cement, electro-mechanical equipment and non-ferrous metals. Electricity, the main source of energy used in the manufacturing operations, is primarily purchased from local power grids where the Group's facilities are located.

Technology, Research and Development

The Group is the leader in the research and development as well as the production of large rail track maintenance machinery in China. It imports machinery manufacturing technologies and conducts further research and development activities on such technologies to meet domestic production requirements for large rail track maintenance machinery, thereby improving its own research and development capabilities.

Since 1988, CRCC High-Tech Equipment Corporation Limited has introduced technologies from P&T Austria used in the production of large rail track maintenance machinery. The Group has also successfully developed its own products to meet the specific needs of the domestic market by research and modification of these imported technologies. The Group was able to assist the PRC Government in increasing the maximum train speeds of the domestic railway system on numerous occasions.

CRCC High-Tech Equipment Corporation Limited has been named High and New Technology Enterprise of Yunnan Province, Outstanding Enterprise in Employees' Economic Technology Innovation in Yunnan Province, Advanced Enterprise for Quality and Efficiency in Yunnan Province, and Top 30 Well-known Brands in Yunnan Province, because of its accomplishments.

The Group has an increasing number of products which are designed with independent intellectual property rights. Several underground engineering products of the Group has been industrial breakthrough in China, including major-diameter earth pressure balance shield/TBM dual-mode excavator, hard rock tunnel boring machine with major diameter and full face and hard rock tunnel boring machine with double shields. Several large railway track maintenance machinery of the Group has already achieved world leading position, including narrow-gauge tamping machines and narrow-gauge ballasting machines and are exported to overseas markets. Technologies of underground and underwater engineering construction, magnetic suspension engineering construction and Electrical & Mechanical system integration have also achieved a leading level in the industry. The Group owns a world-leading excavating machine manufacturing base with an annual output of 200 excavating machines, accounting for half of the domestic market. In particular, the TBM takes up more than 85.00 per cent. of the domestic market and provides domestic underground construction projects with intelligent and integrated solutions and high-end equipment. Many achievements in this field are unprecedented in China. Major products of large rail track maintenance machinery take up more than 80.00 per cent. of domestic market in 2024.

Sales, Marketing and Customers

The Group receives purchase orders for large rail track maintenance machinery primarily through the government channel and private channels. The government channel involves the assignment of purchase orders to us by the MOR through the bidding process, following an annual/periodic review of state-owned railway operators' demands. Purchase orders received through the government channel depend largely on prevailing government policies. However, the order is relatively stable once it is placed. Purchase orders from private channels are based on the customers' demands. Competition for orders through private channels is more intense than through the government channel. The Group acquires such orders by way of price comparing and bidding.

Major customers of the Group's manufacturing operations include large enterprises, such as state-owned railway operators, construction companies, private railway companies, local railway companies, subway companies and mining companies with railway facilities.

REAL ESTATE DEVELOPMENT

The real estate business is one of the principal businesses of the Company as approved by SASAC. The Group's real estate development business was previously conducted on a sporadic basis by affiliated construction group companies. On 20 April 2007, the Group established China Railway Real Estate Group Co., Ltd., which is primarily engaged in the development of residential properties as a main business as well as the development of commercial properties, such as shopping malls and office buildings. As one of the 16 enterprises directly under the central government engaging in real estate development as one of its principal businesses, the Group prioritises its real-estate development business in residential development with support from commercial facilities as a supplement. The Group principally carries out real estate development in Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei, Chengdu-Chongqing, the middle reaches of the Yangtze River, Guangdong, Fujian and Zhejiang coastal city clusters.

The Group adopts the business model of “giving priority to residential development supplemented by other industries” for real estate business, and resolutely establishes the position of “housing is for living in, not for speculation”, actively participated in government development and construction of government-subsidised housing and buyback housing, while strengthening the traditional residential housing development business, and further explored emerging businesses such as future community, TOD, fully exerted the Company’s advantages in industrial chain, strengthened resource integration, and continuously enhanced the development quality of real estate development business. In 2024, the real estate sector continued to strengthen marketing and destocking. At the investment end, it enhanced risk awareness, increased industrial synergies, and took a prudent and steady approach to reserving quality land. In 2024, real estate segment was generally stable, recording sales amount of RMB95.145 billion, which ranked the 13th among real estate enterprises in China, consolidating the Company’s position in the industry.

According to the relevant PRC laws and regulations, real estate developers must obtain qualifications in order to carry out real estate development businesses in the PRC. As at 31 December 2024, the Group and its affiliated construction group companies conducting real estate development operations possessed valid qualifications and were competent to conduct real estate development operations. The Group maintains such qualifications through continuing compliance with relevant regulatory requirements or timely renewal for such qualifications.

MATERIALS, LOGISTICS AND OTHER BUSINESSES

The Group’s businesses also include logistics, warehousing and distribution, material trading, spot trading and international trading, financial insurance, concession, mining resources development and railway operation and management.

Logistics

The Group’s logistics business is mainly operated by China Railway Material Group Co., Ltd., or CRCC Material, a subsidiary of the Group specialising in logistics operations. CRCC Material has achieved rapid development in its logistics operations and has accumulated extensive experience in this area, as the first enterprise in China to enter into the 350 kilometers per hour 100-meter rail market, the largest railway engineering logistics services provider around the world and the second largest supplier of railway supplies in China. In 2022, 2023 and 2024, CRCC material ranked 8th, 10th and 8th in Top 50 Logistic Enterprises in China, respectively. As the largest logistics service provider for railway engineering in China, the Group has regional business outlets in important cities and logistics node cities across China, 1.33 million sq.m. logistics sites, and more than 40,000 metres of special railway lines and 32,550 cubic metres refined oil storage capacity as at 31 December 2024.

The Group also engages in the trading of construction materials, such as steel rail, which enhances its ability to purchase and supply key materials. It has established strategic relationships with China National Petroleum Corporation, China Petroleum and Chemical Corporation and several major steel companies in China, and expanded the geographical coverage of its operations. The Group has been certified by the relevant PRC Government authorities to wholesale oil products within the Group, thereby enabling it to reduce its overall purchasing costs for oil products. The logistics business may lower the material procurement cost of engineering contracting, thereby enhancing the profit margin and competitiveness. Moreover, the substantial development of the rail and urban rail industry may facilitate development to the prospects logistics business.

Investment and Operation

The Group has established a full value chain business model of “design-investment-construction-operation”.

Emerging Industries

The Group actively explores new business areas such as new rail transit, building industrialisation, new energy, water resources, ecological water environmental management, and waste disposal.

Financial Services

The Group also engages in financial services including fund settlement, deposits, comprehensive credit facility management, inter-bank deposits, loans, financial leasing and inter-bank lending.

BACKLOG

Backlog represents the Group's estimate of the contract value of work that remains to be completed as at a certain date. The contract value of a project represents the amount that the Group expects to receive under the terms of the contract assuming the contract is performed in accordance with its terms. Backlog is not a measure defined by generally accepted accounting principles. As at the end of 2024, the Group had a total backlog of RMB4,282.1 billion.

Backlog may not be indicative of the Group's future operating results. Many contracts do not require the Group's customers to purchase a minimum amount of services and are subject to termination by the customer on short notice. The contract value of such projects of the Group may be recorded in its backlog, and the scope of work with respect to contracts reflected in its backlog may at times be adjusted. In addition, poor project selection or difficulties in contract performance may lead to inaccuracies with respect to the estimated income from uncompleted contracts. Furthermore, the termination or modification of any one or more sizeable contracts or the addition of other contracts may have a substantial and immediate effect on the dollar amount to the Group's backlog and the revenue and profits it may earn from such contracts, and may have a material adverse effect on the Group's financial condition and profitability.

RESEARCH AND DEVELOPMENT

The Group places significant importance on the development of its research and development capabilities. In addition to its professional research and development institutes, such as its affiliate design institutes or companies, the Group's headquarters has technology research centres and its construction group companies have technology centres for research and development work. The Company has also established the relevant rules and guidelines to regulate its technology research centres, technology research investments, technology research projects, and technology research results evaluation and rewarding system. As at 31 December 2024, the Group had one member of the Chinese Academy of Engineering, 10 National Survey and Design Masters, 11 national candidates of the "Bai Qian Wan Talents Project" and 309 experts who are recipients of special subsidies granted by the State Council.

Showcasing its technological leadership, the Group spearheaded R&D projects recognized as Outstanding Patent Cases for Invention in Belt and Road countries and regions and selected as National Model Cases for Patent Industrialization by the China National Intellectual Property Administration. The Group also achieved a breakthrough with its 8-meter-class main bearing, which passed rigorous installation and application validation by an academician-led expert panel.

The Group undertakes research projects sponsored by government agencies at the provincial and ministerial levels. It has received 90 National Prizes for Science and Technology, 167 Zhan Tianyou Civil Engineering Awards, 593 National High-Quality Projects Awards (including 52 Gold Awards), 184 Luban Prizes for China Construction and 5,654 engineering methods above provincial level. The Group has further strengthened its scientific research efforts, leading 10 national key R&D projects and 43 state-level research initiatives in 2025, while adding 3,033 valid patents (including 1,153 invention patents). The Group has received six China Patent Awards in 2025, including one Gold Award and one Silver Award, marking its best performance to date. The Group is accelerating the formation of a digital and intelligent development pattern and is fully promoting the construction of the project management system for engineering projects.

It will also optimise its investment, evaluation, incentive, training, and performance review systems and cultivate the innovative skills of its managerial, research and development, and technical personnel.

The Group will continue to strengthen scientific and technological innovation through the system of “1+9+N” (including China Railway Construction Science and Technology Research Institute, nine industrial technology research institute and the joint efforts through research platforms) and to promote the technicalisation of science, the productization of technology, and the industrialization of products. The Group has completed the local deployment of DeepSeek, launched the “Institutional Large Model” system, and promoted its use throughout the entire system. It has also initiated the “2+4+7” system construction, striving to build a benchmark for CRCC-characteristic lighthouse factories. The Group has also developed and/or participated the following R&D projects in recent years:

- Steel Backbone: the world’s first kilometer-class full-face hard rock shaft boring machine.
- Digital Life System: a 2024 World Intelligence Expo high-tech system, creating digital proto-twins in hostile environment by modelling and simulation, solving sparse and remote malfunctions in a concentrating manner.
- Inspection Robot for Precast Girder: a combined inspection system consisting of laser radar, AI monitor, and six-axis robotic arm, capable of identifying more than 10 parameters of concrete structure.
- Sixth-Generation Intelligent Shield System: an intelligent system, capable of information collecting, monitoring, administrating and analysing, with strong alerting functions.
- Intelligent Girder Field Production-and-Management System: a coordinating and managing system, capable of organizing large machines, supplies and human resources, utilizing BIM, IoT and smart terminals, achieving better quality and higher efficiency.

The total expenditure on research and development of the Group for the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 was RMB25,003.9 million, RMB26,725.5 million, RMB25,713.3 million and RMB7,516.5 million, respectively.

QUALITY CONTROL AND MANAGEMENT

The Group implements a quality management system. It has established a quality control system by establishing procedural management systems for sales, production, after-sales services, inspection, resource management, including the management of the invitation and submission of bids, contract management, materials procurement management, and production plan management.

The Group has established a sound quality management structure and system, as well as a quality control system developed in accordance with national standards including GB/T19001-2016, ISO 9001:2015 and GB/T50430-2017. In the year of 2024, the Group passed the review of China Certification Center. The registration and authentication qualification of the quality management systems of the Group will continue to be maintained with the number of certificates being 02121Q10824R7M and U006621Q0239R7M.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

The Group's operations generate air pollution, noise, hazardous material, polluted water and solid wastes, and it is subject to the relevant rules and regulations on occupational health, safety and environmental protection. According to the PRC counsel to the Group, Beijing DeHeng Law Offices, the Group has not caused any material environmental pollution incident as a result of breaching the environmental law, except for such incident or breach that will not, individually or in the aggregate, result in a material adverse effect on the Group's operation.

The Group published and implemented a health, safety and environmental management system on 29 April 2006. On 7 July 2006, it became one of the first state-owned large-scale enterprises that received ISO 9001:2000 certification for its quality management system, ISO 14001:2004 certification for its environmental management system, and GB/T28001-2001 certification for its occupational health and safety management system. In addition, the Group has a Safety and Quality Management Department and an Environmental Protection Department located at its head office with offices at its principal operating affiliated companies, which are responsible for: (i) supervising and examining the safety and quality control measures of construction companies and construction management companies; (ii) regulating labour, hygiene and safety conditions; and (iii) monitoring compliance with statutory environmental protection regulations relating to air, water, noise and solid waste pollution. The Group imposes safety and anti-pollution measures, as well as regular internal safety and environmental inspections, at all stages of its operations in order to minimise the possibility of work-related accidents and injuries. It also monitors the safety and environmental protection aspects of its subcontractors' operations. As the Group believes that safe practices are essential to ensure employee safety, it conducts regular safety training sessions and provides safety education to employees. It has established safety standards in connection with matters such as purchasing, installation and operation of new equipment, construction of new facilities and renovation of existing facilities. All of the Group's operating subsidiaries have obtained and maintained a safe production permit issued by relevant PRC local authorities. With regard to its overseas operations, the Group is committed to strict compliance with applicable local laws on occupational health, safety and environmental protection. Its ability to comply with local laws is an important consideration before the Group decides to commence operations in foreign jurisdictions. Although the Group has stringent safety measures in place, its construction operations involve inherent occupational risks. There is no guarantee that any safety-related incidents will not have an adverse impact on its reputation, corporate image and results of operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

Over the years, the Group has been recognized by its achievements in ESG and won more than a dozen of awards, in particular:

- ESG Best Practice Cases of Listed Companies in China
- Securities Times China's Top 100 Listed Companies in terms of ESG

- Grade A in the annual evaluation of information disclosure by Shanghai Stock Exchange
- The 14th Pegasus Award for Investor Relations of Listed Companies in China
- Special Contribution to Corporate Governance Award at the 18th Golden Round Table Award for Boards of Directors of Listed Companies in China

The Group aims to put emphasis on optimization of corporate governance, reinforcement of disclosure of inside information and other information, enhancement of investor relationship management and improvement of protection of shareholders' rights.

The Group also actively participate charity work to serve communities domestically and overseas. In the first half of 2025, the Group contributed to non-repayable assistance funds to designated and counterpart support regions, including Wanquan District, Shangyi County, Long'an County, and Jiangda County. The Group also contributed to repayable assistance funds, consolidated the "Two Assurances and Three Guarantees" achievements, and purchased agricultural products from assisted regions. Furthermore, the Group supported 11 leading enterprises, provided training for 441 grassroots rural cadres, 310 rural revitalization leaders, and 1,885 technical professionals.

On environmental end, in 2024, the Company invested approximately RMB3.7 billion in environmental protection. The Group actively responds to national strategies by aligning with major ecological and environmental protection initiatives and regional ecological goals. It is vigorously developing its environmental governance business, focusing on key areas such as desertification control, soil remediation, mine rehabilitation, and wastewater treatment. The Group engages in project investment, construction, and operation to drive green upgrades in infrastructure and build an industrial ecosystem, supporting the green environmental protection industry to become a new growth driver for the Company. The green environmental business model primarily generates revenue through engineering contracting for green projects. The Xiongan Pilot Free Trade Zone Communication and Exhibition Center, which was built by the Group, is one of the first zero-carbon demonstration buildings in the Xiongan District. Besides, the China Railway Construction Group Electromechanical Installation Co., Ltd. was honored with the "2023 Hainan Energy Saving and Carbon Reduction Contribution Award" and China Railway 20th Bureau Group Co., Ltd. was honored with "Most Growth Enterprise" and "Innovative Enterprise" in the field of carbon neutrality. Moreover, in 2023, the Company revised its Measures for the Supervision and Administration of Energy Conservation and Ecological Environmental Protection, and adopted energy conservation, emission reduction and environmental protection indicators as KPI for the performance evaluation of the directors in the Group. In 2024, there were no environmental emergencies throughout the year.

INTELLECTUAL PROPERTY RIGHTS

The Group relies on patents, copyrights, trademarks and contractual rights to protect its intellectual property rights. The intellectual property rights are critical to the Group's businesses. As at 31 December 2024, the Group held 40,638 patents and received above-provincial level recognition for 5,654 engineering methods. The Group continuously submit patent applications for products and technologies that it has developed. It also possesses unregistered trade secrets, technologies, know-hows, processes and other intellectual property rights. As at 31 December 2024, the Group did not suffer any material infringement of intellectual property by other parties and, to the best of its knowledge, has not violated any intellectual property rights of any third parties nor was the Company a party to any litigation brought by any third party due to infringement of intellectual property rights.

EMPLOYEES

As at 31 December 2024, the Group had 264,045 employees. The Group has not experienced any material strikes or other disruptions due to labour disputes.

The Group linked the employees' remuneration with their performance, as well as the Group's annual budget. The remuneration of the employees includes wages, performance bonus and allowance. The employees of the Company are also entitled to pension, medical, unemployment, work injury, maternity insurance and housing funds as well as other fringe benefits.

INSURANCE

Pursuant to the general practice in the industry, the Group is required to obtain fire, liability or other property insurance for the property, equipment or inventory in relation to its major businesses, and is required to obtain construction project all-risk insurance for most of the construction projects it undertakes. Such policies generally extend for the entire contract period, including the maintenance period following completion of the project. The Group also purchases pension insurance, medical insurance, unemployment insurance, workplace injury insurance and maternity insurance for its employees and personal injury insurance for its overseas and onsite workers pursuant to the relevant PRC laws and regulations.

The Group carries third-party liability insurances to cover claims in respect of personal injury or property or environmental damage arising from accidents on its property or relating to the Group's operations, and it carries key-man life insurances on its key employees. Such insurances are not mandatory according to the laws and regulations of the PRC but would be able to enhance the Group's competitiveness against its competitors in the PRC. Under the applicable PRC laws and regulations, the premiums for pension insurance and unemployment insurance are contributed in strict compliance with the PRC national, provincial and municipal regulations. The contribution rates for medical insurance, maternity insurance and housing funds are subject to local regulations.

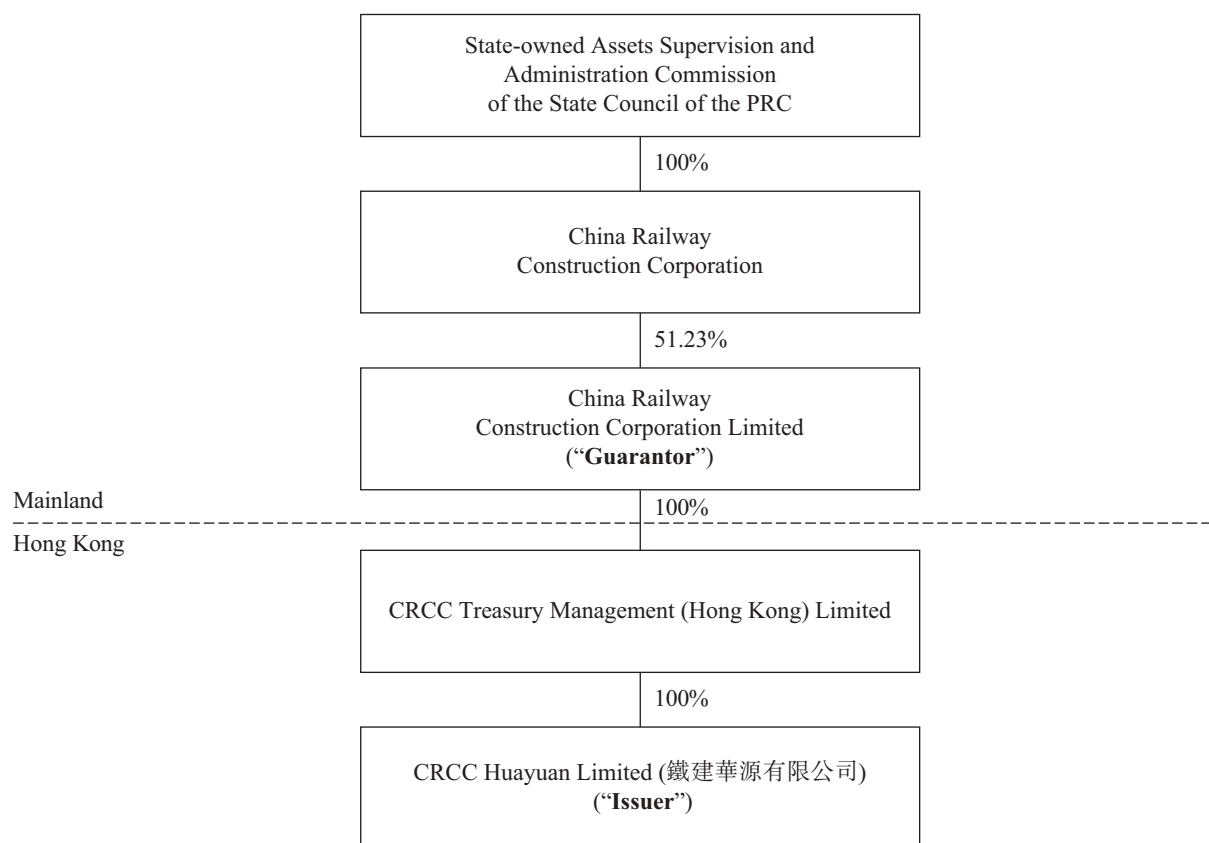
LEGAL PROCEEDINGS

From time to time, the Group has been involved in legal proceedings or other disputes that arise from the ordinary course of its business, which primarily involve disputes with contractors and employees. The Group has not incurred significant legal costs and expenses in connection with these legal proceedings. The Directors are not aware of any material legal proceedings, claims or disputes currently existing or pending against the Group that may have a material adverse effect on the Group's business, financial condition or results of operations.

CONTROLLING SHAREHOLDER OF THE COMPANY

As at the date of this Offering Circular, as far as known to the Directors, the Controlling Shareholder held approximately 51.23 per cent. of the Company's issued share capital and is the controlling shareholder of the Company. The Controlling Shareholder is a state-owned enterprise wholly-owned by the SASAC and was established on 28 August 1990 with its headquarters in Beijing. In November 2007, the Controlling Shareholder carried out a corporate reorganization by injecting its core businesses and related assets along with employees into the Company and established the Company as the sole promoter.

SASAC is a ministry-level organization directly under the management of the State Council, and was set up in accordance with the State Council Institutional Reform Plan and the Notice on the Institutional Establishment of the State Council passed at the First Session of the 10th National People's Congress. Authorized by the State Council, SASAC performs its duties as an investor on behalf of the PRC government. The scope of supervision of SASAC extends to the state-owned assets of enterprises under the supervision of the PRC central government (excluding financial enterprises). SASAC owns 100.00 per cent. of the equity interest in the Controlling Shareholder.



As at the date of this Offering Circular, save for the Controlling Shareholder and HKSCC Nominees Limited (which holds the shares on behalf of its various clients), there were no other shareholders of the Company holding more than 10.00 per cent. of the Company's total issued shares.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

The Directors as at the date of this Offering Circular are as follows:

Name	Position
DAI Hegen (戴和根)	Chairman, Executive Director and secretary of the party committee
GAO Lieyang (郜烈陽)	Non-executive Director
MA Chuanjing (馬傳景)	Independent Non-executive Director
XIE Guoguang (解國光)	Independent Non-executive Director
TSIN Wai Lun Kenneth (錢偉倫)	Independent Non-executive Director
WANG Jun (王俊)	Independent Non-executive Director
ZHU Lin (朱霖)	Employee Director

The biographies of the Directors are set out below.

Mr. DAI Hegen (戴和根), born in January 1966, a Chinese citizen with no right of abode overseas, is currently the secretary of the party committee, the chairman and executive director of the Company, as well as the secretary of the party committee and chairman of the Controlling Shareholder. Mr. DAI served as the trainee, technician, director of repair shop, deputy director and director of machinery and equipment department, manager of Southeast Engineering Company (東南工程公司), deputy director and acting director of machinery and equipment department, director of mechanical engineering department at the Third Engineering Division of the Fourth Engineering Bureau, Ministry of Railways (鐵道部第四工程局第三工程處); general manager, deputy chairman, and deputy secretary of the party committee of the Seventh Engineering Co., Ltd. of China Railway No. 4 Engineering Group Co., Ltd.; deputy general manager, deputy chairman, general manager, deputy chairman, general manager, and deputy secretary of the party committee of China Railway No. 4 Engineering Group Co., Ltd.; deputy general manager of China Railway Engineering Corporation; member of the standing committee of the party committee of China Railway Engineering Corporation, vice president and member of the standing committee of the party committee of China Railway Group Limited; secretary of the party committee and director of China Railway Engineering Corporation, executive director, president, and deputy secretary of the party committee of China Railway Group Limited; general manager and secretary of the party committee of China Railway Materials (Group) Corporation (currently known as China Logistics Group Co., Ltd.), executive director, president, and deputy secretary of the party committee of China Railway Group Limited; general manager and secretary of the party committee of China Railway Materials (Group) Corporation, chairman and secretary of the party committee of China Railway Materials Company Limited; secretary of the party committee and deputy chairman of Xinxing Cathay International Group Co., Ltd.; chairman and secretary of the party committee of China National Chemical Engineering Group Corporation, chairman and secretary of the party committee of China National Chemical Engineering Co., Ltd. Since December 2023, he has been serving as the secretary of the party committee and chairman of the Controlling Shareholder, and the secretary of the party committee of the Company. Since January 2024, he has been serving as the secretary of the party committee and chairman of the Controlling Shareholder, as well as the secretary of the party committee and chairman of the Company. Mr. DAI graduated from the Party School of the Central Committee of the Communist Party of China, with a postgraduate degree in economic management. He is a professorate senior economist, and also a member of the 14th National Committee of the Chinese People's Political Consultative Conference.

Mr. GAO Lieyang (郜烈陽), born in September 1965, a Chinese citizen with no right of abode overseas, holds a master's degree, a professorate senior architect, a national first class registered constructor, a Chartered Builder of The Chartered Institute of Building, U.K., and is currently a non-executive director of the Company. He successively served as the chief officer of the design and supervision department of China State Construction Engineering Group Co., Ltd., executive deputy director of Fujian Office of China State Construction Engineering Group Co., Ltd., general manager of the China State Construction Engineering Group South Co., Ltd., executive deputy general manager of general contracting department of China State Construction Engineering Group Co., Ltd., general manager of decoration department of China State Construction Engineering Group Co., Ltd., executive director and general manager of China State Construction Development Co., Ltd., chairman and secretary of the party committee of China State Decoration Group Co., Ltd., assistant general manager of China State Construction Engineering Corporation Ltd., as well as chairman and secretary of the party committee of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd., and chairman of the supervisory committee of China State Construction Engineering Corporation Ltd. He is currently a professional external director for state-owned enterprises, and concurrently serves as an external director for China Poly Group Corporation Limited and an external director for China Minmetals Corporation.

Mr. MA Chuanjing (馬傳景), born in August 1957, a Chinese citizen with no right of abode overseas, holds a doctor's degree, and is currently an independent non-executive director of the Company. Mr. MA was a teacher in the Beijing Chemical Industry Institute (北京化工學院), and previously served as an editor of the economic editorial department of Qiushi (Hongqi) (《求是(紅旗)》) Journal, vice president and president of the economic editorial department and the head of the international department of Qiushi Journal, the vice president of the Comprehensive Research Department under the Research Office of the State Council, the vice president and president of Industry, Transportation and Trade Research Department under the Research Office of the State Council and a professional external director for central state-owned enterprises. He was an external director of Sinotrans & CSC Holdings Co., Ltd., an external director of Sinochem Group Co., Ltd., an external director of Xinxing Cathay International Group Co., Ltd. and an non-executive director of China Energy Engineering Group Co., Ltd. Currently, he is also an external director of China International Engineering Consulting Corporation.

Mr. XIE Guoguang (解國光), born in August 1960, a Chinese citizen with no right of abode overseas, holds a bachelor's degree, is professorate senior accountant, and is currently an independent non-executive director of the Company. Mr. XIE was an assistant accountant in the finance department of the Bureau of Administration of the Ministry of Construction, accountant of the Audit Bureau of the Ministry of Construction, accountant of the finance department of China Construction Technical Research Center (中國建築技術研究院), accountant of Witt Company (威特公司), accountant, deputy director and director of the finance department of China Architecture Design & Research Group, chief accountant of China Architecture Design & Research Group, chief accountant and secretary to the board of directors of China Construction Technology Group Co., Ltd., chief accountant of China Construction Technology Co., Ltd., and a standing committee member of the party committee and chief accountant of China Energy Conservation and Environmental Protection Group. Currently, he is also an external director of China National Coal Group Corporation.

Mr. TSIN Wai Lun Kenneth (錢偉倫), born in July 1967, a Chinese Hong Kong citizen with no right of abode overseas, holds a doctor's degree, a master's degree in law, a master's degree in science in electronic commerce and internet computing, and a master's degree in business administration, and is currently an independent non-executive director of the Company. He previously served as vice president of Chinese Bankers Club, Hong Kong. Currently, he also serves as chairman and chief executive officer of CBHK Holdings Limited, chief executive officer of CMK lawyers, founder of the Hong Kong International Data Protection Society and Greater Bay Area Hong Kong International Professional Services Association, member of the Small and Medium Law Firms Association of Hong Kong, and consultant of Chinese Bankers Club, Hong Kong and an external director of China Merchants Group Co., Ltd.

Mr. WANG Jun, born in March 1961, a Chinese citizen with no right of abode overseas, holds a doctor's degree, is a researcher, and is currently an independent non-executive director of the Company. Mr. WANG served as the director of the science and technology department of China Academy of Building Research, assistant to the president and director of the science and technology department of China Academy of Building Research, vice president of China Academy of Building Research, president of China Academy of Building Research, concurrently president and deputy secretary of the Party Committee of China Academy of Building Research, and secretary of the Party Committee and chairman of China Academy of Building Research Co., Ltd.

Ms. ZHU Lin, born in February 1974, a Chinese citizen with no right of abode overseas, is currently an employee director of the Company, and concurrently serves as the secretary of the party committee and executive vice president (director) of China Railway Construction Corporation Limited Beijing Training Center (China Railway Construction Corporation Limited Party School) ("CRCC Training Center (Party School)"). She has served as the deputy director (in charge) of the labour and wage department and a deputy director (in charge) of the enterprise development department of the Railway Construction Research and Design Institute; a director of the human resources department, director of the human resources division, and director of the human resources division (party committee cadres department) of China Railway Fifth Survey and Design Institute Group Co., Ltd.; a member of the standing committee of the party committee, secretary of the commission for discipline inspection, chairman of the labour union, and chairman of the supervisory committee, a deputy secretary of the party committee, the chairman of the labour union and an employee director of China Railway Fifth Survey and Design Institute Group Co., Ltd.; a deputy secretary of the party committee and a vice president (deputy director) of CRCC Training Center (Party School); in August 2021, she was appointed as the secretary of the party committee and executive vice president (director) of CRCC Training Center (Party School). Ms. ZHU graduated from Southwest Jiaotong University with a college degree in financial accounting and holds a postgraduate degree in economics from the Party School of the Central Committee of CPC. Ms. ZHU is a senior economist.

SENIOR MANAGEMENT

The members of the senior management of the Company as at the date of this Offering Circular are as follows:

Name	Position
ZHAO Dianlong (趙佃龍)	Vice President
CHEN Zhiming (陳志明)	Vice President
HUANG Changfu (黃昌富)	Vice President
LI Xinglong (李興龍)	Vice President
YANG Zhefeng (楊哲峰)	Vice President
ZHU Hongbiao (朱宏標)	Chief Accountant
SUN Gongxin (孫公新)	Chief Economist
GUAN Shanyue (官山月)	Chief Safety Officer
ZHAO Wei (趙偉)	Assistant to the President
JING Jing (靖菁)	Secretary to the Board
DAI Jinghui (代敬輝)	Chief Engineer

The biographies of the senior management of the Company are set out below.

Mr. ZHAO Dianlong (趙佃龍), born in June 1973, a Chinese citizen with no right of abode overseas, is currently a member of the standing committee of the party committee and a vice president of the Company, as well as a member of the standing committee of the party committee of the Controlling Shareholder. He previously served as the secretary of the party committee, vice chairman, secretary of the disciplinary committee and chairman of the labor union of China Railway Construction Corporation (International) Limited, the secretary of the party committee and vice chairman of China Railway Construction Corporation (International) Limited, the general manager, director and deputy secretary of the party committee of China Civil Engineering Construction Corporation, the chairman and secretary of the party committee of China Civil Engineering Construction Corporation. He has been serving as a member of the standing committee of the party committee of the Controlling Shareholder since July 2021, and a member of the standing committee of the party committee of the Controlling Shareholder as well as a member of the standing committee of the party committee and vice president of the Company since August 2021. Mr. ZHAO graduated from Northern Jiaotong University, majoring in railway engineering with a master's degree. He is a professorate senior engineer and is entitled to special government allowances from the State Council.

Mr. CHEN Zhiming (陳志明), born in November 1970, a Chinese national with no right of abode overseas, is currently a member of the standing committee of the party committee and a vice president of the Company, as well as a member of the standing committee of the party committee of the Controlling Shareholder. Mr. CHEN previously served as deputy general manager, general manager, deputy secretary and secretary of the party committee, and chairman of China Railway 11th Bureau Group Co., Ltd. He has been serving as a member of the standing committee of the party committee of the Controlling Shareholder and a member of the standing committee of the party committee and a vice president of the Company since July 2024. Mr. CHEN graduated with a bachelor's degree in economics and management from the Party School of the Central Committee of the Communist Party of China and is a professorate senior engineer.

Mr. HUANG Changfu (黃昌富), born in February 1971, a Chinese national with no right of adobe overseas, is currently a member of the standing committee of the party committee and a vice president of the Company, as well as a member of the standing committee of the party committee of the Controlling Shareholder. Mr. HUANG previously served as deputy general manager of China Railway 16th Bureau Group Co., Ltd. and the deputy secretary of the party committee, deputy general manager (in charge of work), general manager, secretary of the party committee, and chairman of China Railway 15th Bureau Group Co., Ltd. He has been serving as a member of the standing committee of the party committee of the Controlling Shareholder and a member of the standing committee of the party committee and a vice president of the Company since July 2024. Mr. HUANG graduated with a postgraduate degree in geotechnical engineering from the University of Science and Technology Beijing and holds a doctorate in engineering, and is a professorate senior engineer.

Mr. LI Xinglong (李興龍), born in November 1974, a Chinese national with no right of adobe overseas, is currently a member of the standing committee of the party committee and a vice president of the Company, as well as a member of the standing committee of the party committee of the Controlling Shareholder. Mr. LI previously served as deputy general manager, deputy general manager (in charge of management work), general manager, deputy secretary of the party committee, secretary of the party committee and chairman of China Railway Construction Real Estate Group Co., Ltd. He has been serving as a member of the standing committee of the party committee of the Controlling Shareholder and a member of the standing committee of the party committee and a vice president of the Company since July 2024. Mr. LI graduated with a bachelor's degree in management engineering from Shijiazhuang Railway Institute and obtained a master's degree in software engineering from the University of Electronic Science and Technology of China, and is a senior engineer.

Mr. YANG Zhefeng (楊哲峰), born in October 1972, a Chinese national with no right of adobe overseas, is currently a member of the standing committee of the party committee and a vice president of the Company. Mr. YANG previously served as deputy general manager of China Railway 16th Bureau Group Co., Ltd., the general manager and deputy secretary of the party committee of China Railway Construction Investment Group Co., Ltd., the secretary of the party committee and chairman of China Railway 19th Bureau Group Co., Ltd., and the secretary of the party committee and chairman of China Railway 16th Bureau Group Co., Ltd. He has been serving as a member of the standing committee of the party committee and a vice president of the Company since July 2024. Mr. YANG graduated with a postgraduate degree in underground architectural engineering from China University of Geosciences (Wuhan) and holds a doctorate in engineering, and is a professorate senior engineer.

Mr. ZHU Hongbiao (朱宏標), born in November 1970, a Chinese citizen with no right of abode overseas, is currently a member of the standing committee of the party committee and the chief accountant of the Company, as well as a member of the standing committee of the party committee of the Controlling Shareholder. He previously served as accountant in the Finance Department of China Road and Bridge Corporation, accountant in its Kenya Office, deputy director of the Fund Division in the Finance Department, assistant of the general manager in the Fund Management Department, deputy general manager of the Fund Management Department, deputy general manager of the Financial and Accounting Department, and director of the Fund Settlement Center; deputy general manager of the Fund Department and deputy director of the Fund Settlement Center of China Communications Construction Group (Limited), general manager of the Fund Department and director of the Fund Settlement Center of China Communications Construction Company Limited, general manager of the Financial and Fund Department of China Communications Construction Group (Limited) and China Communications Construction Company Limited, chief financial officer of China Urban and Rural Construction Group, and deputy leader of the preparatory group of China Zhibao Co., Ltd. (中國智寶有限公司); in October 2019, he took the position of member of the standing committee of the party committee and chief accountant of China Communications Construction Company Limited; in August 2023, he was appointed as member of the standing committee of the party committee of the Controlling Shareholder, and a member of the standing committee of the party committee and chief accountant of the Company. Mr. ZHU graduated from Chang'an University (formerly known as Xi'an Highway University) with a bachelor's degree in accounting, and later obtained a master's degree in accounting from Peking University. He is a professorate senior accountant.

Mr. SUN Gongxin (孫公新), born in October 1967, a Chinese citizen with no right of abode overseas, is currently the chief economist of the Company. He previously served as the chairman, general manager and deputy secretary of the party committee of China Railway 19th Bureau Group First Engineering Co., Ltd., and the deputy general manager, general manager, vice chairman and deputy secretary of the party committee of China Railway 19th Bureau Group Co., Ltd. He has been serving as the assistant to the president of the Company since March 2014, the special assistant to the president of the Company since July 2014 and the chief economist of the Company since June 2015. Mr. SUN graduated from Tsinghua University, majoring in business administration with a master's degree. He is a professorate senior engineer.

Mr. GUAN Shanyue (官山月), born in August 1972, a Chinese citizen with no right of abode overseas, is currently the safety director of the Company. He previously served as the division director and deputy department director of the second supervision and management division of the second department of safety supervision and management of the State Administration of Work Safety, a member of the standing committee of the municipal party committee and deputy mayor of Huainan City, Anhui Province on temporary assignment, and deputy director of the department of safety production comprehensive coordination of the Ministry of Emergency Management. He has been serving as the chief safety officer of the Company since April 2019. Mr. GUAN graduated from China University of Mining and Technology, majoring in mining engineering with a master's degree, and is a senior engineer.

Mr. ZHAO Wei (趙偉), born in August 1968, a Chinese citizen with no right of abode overseas, is currently the assistant to the president of the Company. He previously served as the assistant general manager, general manager and deputy secretary of the party committee, and secretary of the party committee and chairman of China Railway Construction Group Co., Ltd., and the executive vice group leader of the Headquarters Campus Construction Leading Group, deputy chief economist and concurrently general manager of the enterprise management department, and chairman of the supervisory committee of the Company. He has been serving as the assistant to the president of the Company since October 2025. Mr. ZHAO graduated from Shijiazhuang Railway Institute, majoring in industrial and civil building with a college diploma, and subsequently obtained a graduate qualification and a doctoral degree in management science and engineering from Beijing Institute of Technology. He is a professorate senior engineer.

Ms. JING Jing (靖菁), born in March 1971, a Chinese citizen with no right of abode overseas, is currently the secretary to the Board of the Company and the director of the Board office. She previously served as the director of the secretary division of the Board office of the Controlling Shareholder, deputy director of the secretary bureau of the Board and division chief of the secretariat division, deputy director and director of the secretary bureau of the Board. She has been serving as director of the Board office of the Company since December 2019, and as secretary to the Board of the Company since January 2022. Ms. JING graduated from Northern Jiaotong University with a master's degree in business administration, and is a senior economist.

Mr. DAI Jinghui (代敬輝), born in March 1974, a Chinese citizen with no right of abode overseas, is currently the chief engineer of the Company. He previously served as the deputy general manager of China Railway 18th Bureau Group 5th Engineering Co., Ltd., the deputy chief engineer and deputy general manager of China Railway 18th Bureau Group Co., Ltd., the chief engineer and concurrently secretary of the party working committee and commander of the Sichuan-Tibet railway project headquarters of China Railway 18th Bureau Group Co., Ltd., and the general manager (director) of the scientific and technological innovation department (technical center office) of the Company. He has been serving as the chief engineer of the Company since October 2025. Mr. DAI graduated from Northern Jiaotong University (currently known as Beijing Jiaotong University), majoring in industrial and civil building with a bachelor's degree in engineering, and subsequently obtained a master's degree in business administration from Peking University. He is a professorate senior engineer.

GUARANTEE OF THE NOTES

The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums expressed to be payable by the Issuer under each series of the Notes. Its obligations in that respect will be contained in the relevant Deed of Guarantee in respect of the relevant series of the Notes to be dated on or about 11 November 2025.

The Guarantor is required by the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014 to file or cause to be filed the Guarantee of the Notes with SAFE within the time period prescribed. Although non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if the Guarantor fails to complete the SAFE registration. Further, there may be hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee of the Notes) as domestic banks may require evidence of SAFE registration in connection with the Guarantee of the Notes in order to effect such remittance. The Guarantor intends to register the Guarantee of the Notes as soon as practicable within the prescribed time period in accordance with the Cross-Border Security Registration. In case of any change in the major clauses of the relevant Deed of Guarantee, the Guarantor shall apply for the amendment registration. Prior to the performance or discharge of its obligations under the Guarantee of the Notes, the Guarantor is also required to complete a verification process with banks for each remittance under the Guarantee of the Notes.

On 26 January 2017, SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Management and Improving Authenticity and Compliance Review (Hui Fa [2017] No. 3) (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知 (匯發[2017]3號)) (the “**SAFE Circular 2017**”), which took into effect on the same day. Pursuant to this SAFE Circular 2017, funds raised offshore under NBWD are allowed to be directly or indirectly repatriated to the PRC by means of loans or equity investments. However, it is unclear as to:

- (a) whether the existing requirements on NBWD for offshore bond issuance remains applicable, under which bond proceeds must be used for the offshore project(s) in which an onshore entity holds equity interest and thus cannot be repatriated to the PRC;
- (b) whether, even though the bond proceeds are able to be repatriated to the PRC, such proceeds shall still be used for an offshore project ultimately (such as by way of the onshore entity’s grant of shareholder loans to the offshore project or injection of capital into the offshore project); or
- (c) whether, as a matter of practice, SAFE no longer enforces its existing requirements on NBWD for offshore bond issuance, and **provided that** the outbound guarantee registration is completed with SAFE, the bond proceeds can be repatriated to the PRC.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Holder of the Notes or any person acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.

Persons considering the purchase of the Notes should consult their own tax advisers concerning the tax consequences of the purchase, ownership and disposition of the Notes.

PRC TAXATION

*The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of Chinese mainland for PRC tax purposes (the “**non-PRC Holders**”). In considering whether to invest in the Notes, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.*

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan Region) but whose “de facto management bodies” are within the territory of China shall be PRC tax resident enterprises for the purpose of the EIT Law and they shall pay enterprise income tax at the rate of 25.00 per cent. in respect of their taxable income sourced from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25.00 per cent. for its taxable income sourced from both within and outside PRC. As confirmed by the Issuer, as at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. On that basis, holders of the Notes will not be subject to withholding tax, income tax or any other taxes or duties (including stamp duty) imposed by any governmental authority in the PRC in respect of the holding of the Notes or any repayment of principal and payment of interest made thereon.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or whose income has no actual connection to its establishment inside the PRC shall pay enterprise income tax at the rate of 10.00 per cent. on the income sourced inside the PRC, unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the non-resident is established and the PRC, and such income tax shall be withheld by sources with the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non PRC enterprise Holder. However, despite the potential withholding of PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

In addition, in the event that the Guarantor is required to discharge its obligations under the Guarantee of the Notes, the Guarantor will be obliged to withhold PRC enterprise income tax at the rate up to 10.00 per cent. on the payments of interest made by it under the Guarantee of the Notes to non PRC resident enterprise Holders as such payments of interest will be regarded as being derived from sources within the PRC. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non PRC resident enterprise Holders. Repayment of the principal will not be subject to PRC withholding tax.

Non PRC Holders will not be subject to the PRC tax on any capital gains derived from a sale or exchange of the Notes consummated outside Chinese mainland between non PRC Holders, except however, if the Issuer is treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future, any gain realised by the non PRC enterprise Holders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10.00 per cent. of PRC withholding tax.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Holders is maintained outside the PRC) of a Note.

Value-add Tax (“VAT”)

On 23 March 2016, the MOF and the SAT issued the Circular 36 which confirmed that business tax would be completely replaced by VAT from 1 May 2016. Since then, the taxable service income derived from providing services which attracted business tax was entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as giving loans. It is further clarified under the Appendix of Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Although the issuance of the Notes is likely to be treated as financial services for VAT purposes, Circular 36 stipulates that services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. In connection with the issue of the Notes, none of the Issuer or the Holders is located in the PRC. There is no assurance that the issuance of the Notes will not be treated as financial services for VAT purpose. If the issuance of Notes is treated as financing services within the PRC by the relevant tax authorities, the Holders of the Notes shall be subject to VAT at the rate of 6.00 per cent. when receiving interest payments under the Notes. In addition, the Holders of the Notes shall be subject to the local levies. Given that the Issuer or the Guarantor (if the Guarantor is required to discharge its obligations on the Guarantee of the Notes) pays interest income to Holders of the Notes who are located outside of the PRC, the Issuer or the Guarantor acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to Holders of the Notes who are located outside of the PRC.

Where a Holder of the Notes who is an entity or individual located outside of the PRC resells such Notes to an entity or individual located outside the PRC and derives any gain from such sale, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply to any such transfer of Notes. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located within the PRC.

The above description may be subject to further changes upon the issuance of further clarification rules and/or different interpretation by the competent tax authority in connection with Circular 36. There is uncertainty as to the application of Circular 36.

HONG KONG

Withholding tax

No withholding tax in Hong Kong is payable on payments of principal, premium or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied, by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business; or
- interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums derived from the sale, disposal or redemption of the Notes may be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of, including where such activities were undertaken.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes may be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or redemption of the Notes may be subject to Hong Kong profits tax.

In addition, certain foreign-sourced income in respect of the Notes accrued to an MNE entity (as defined in the Inland Revenue Ordinance) carrying on a trade, profession or business in Hong Kong are regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when they are received in Hong Kong, subject to certain exceptions and relief against double taxation as set out in the Inland Revenue Ordinance. Hong Kong has also introduced the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 to implement a domestic minimum top-up tax. From 2025, income of a constituent entity of an in-scope MNE group that is located in Hong Kong may be subject to top-up tax.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of the Notes.

The Proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective Holders are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment” and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under “*Terms and Conditions of the Notes — Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders of the Notes should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

The consolidated financial statements of the Group set out in the section “Selected Consolidated Financial Information of the Guarantor — Supplementary Financial Information” have been prepared and presented in accordance with PRC GAAP. PRC GAAP are substantially in line with IFRS, except for certain modifications still exist between PRC GAAP and IFRS, which might be relevant to the financial information of the Group included herein.

*The following is a general summary of certain differences between PRC GAAP and IFRS as applicable to the Group. The differences identified below are limited to those significant differences that are appropriate to the Group’s financial statements. The Group is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of the summary. The Group has not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC GAAP and IFRS and has not quantified such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may be required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standard. Regulatory bodies that promulgate PRC GAAP and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. Accordingly, no assurance is **provided that** the following summary of differences between PRC GAAP and IFRS is complete.*

In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and other disclosure contained herein. Investors should consult their own professional advisors for an understanding of the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

PROVISION FOR PRODUCTION SAFETY EXPENSES

Under PRC GAAP, in accordance to relevant regulations in the PRC, production safety expenses are appropriated to a special reserve in equity with amount thereof determined based on certain formulas and charged to the costs of related products or services. When the expenses have incurred which have not resulted in fixed assets, such expenses shall be offset against the special reserve; when the expenses have incurred and have resulted in fixed assets, they shall be recognised in construction in progress and transferred to fixed assets when the assets are ready for the intended use. Same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation at the same time.

Pursuant to IFRS, production safety expenditures not related to fixed assets shall be recognised in cost of related products or services as and when incurred. Production safety expenditures related to fixed assets shall be capitalised as cost of fixed assets as and when incurred, and depreciated according to relevant accounting policies of the Group.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 4 November 2025 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer and the Guarantor have jointly and severally agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the 2030 Notes at an issue price of 100.0 per cent. and the 2035 Notes at an issue price of 100.0 per cent. of the aggregate principal amount of the relevant series of the Notes set forth below:

	Principal Amount of 2030 Notes	Principal Amount of the 2035 Notes
	(CNY)	(CNY)
Huatai Financial Holdings (Hong Kong) Limited	540,000,000	145,000,000
ICBC International Securities Limited	540,000,000	145,000,000
Bank of China (Hong Kong) Limited	540,000,000	145,000,000
DBS Bank Ltd.	540,000,000	145,000,000
CMB International Capital Limited	120,000,000	60,000,000
ABCI Capital Limited	120,000,000	60,000,000
China International Capital Corporation Hong Kong Securities Limited	120,000,000	60,000,000
Bank of Communications Co., Ltd. Hong Kong Branch	120,000,000	60,000,000
China Construction Bank (Asia) Corporation Limited	120,000,000	60,000,000
CLSA Limited.	120,000,000	60,000,000
Oversea-Chinese Banking Corporation Limited	120,000,000	60,000,000
Total	3,000,000,000	1,000,000,000

The Issuer and the Guarantor have jointly and severally agreed with the Joint Lead Managers in the Subscription Agreement that, for a period of 30 days after the Issue Date, none of the Issuer, the Guarantor nor any other subsidiary of the Group shall, without the prior written consent of the Joint Lead Managers, make any announcements of, or any issue or offering of debt securities (other than the Notes) to the public or through a private placement or otherwise in connection with which the Issuer, the Guarantor or any member of the Group is the borrower, debtor, issuer or guarantor, directly or on their behalf, save for the announcement of, or issue or offering of, debt or hybrid securities by the Guarantor or any other Subsidiary of the Guarantor in the PRC.

The Subscription Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and certain of their subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates in the ordinary course of their business.

The Joint Lead Managers or their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

No action has been or will be taken that would, or is intended to, permit a public offering of the Notes, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Accordingly, the Notes should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Notes should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

The distribution of this Offering Circular, or any offering material, and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular, or any offering material, are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code. Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that, the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular. CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages. CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Joint Lead Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: projecthuayuan@htsc.com, project_huayuan@icbci.icbc.com.cn, projecthuayuan@bochk.com and DCMOmnibus@db.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering/the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

GENERAL

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. The Group will have no responsibility for, and each Joint Lead Manager will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. None of the Joint Lead Managers is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes, other than as contained in this Offering Circular or any amendment or supplement thereto.

UNITED STATES

The Notes and the Guarantee of the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. Persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. Persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in the preceding paragraphs of this sub-section have the meanings given to them by Regulation S under the Securities Act.

In addition to the foregoing selling restrictions, the Notes are not being offered or sold to any United States citizen, United States permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

Only Non-U.S. Persons outside the United States are eligible to receive this Offering Circular and participate in the offering of the Notes. Recipients of this Offering Circular are reminded to ensure that they are not engaging in a prohibited transaction under the Executive Order and associated subsequent guidance. Each offeree of the Notes, by accepting delivery of this Offering Circular, agrees to the foregoing and is deemed to have represented to the Issuer, the Guarantor, the Joint Lead Managers, the Trustee and the Agents and their respective directors, advisors and affiliates that (i) such offeree and any customers it represents are Non-U.S. Persons outside the United States and therefore not (a) a U.S. Person as defined in the Executive Order as any “United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States”, or a U.S. Person as defined in the Securities Act or (b) engaging the Joint Lead Managers, the Trustee or any Agent to enter into any transactions for or on behalf of any U.S. Person and (ii) in respect of each transaction that any Joint Lead Manager or any of its subsidiaries/affiliates enters into with such

offeree or any customer it represents, any of their respective subsidiaries/affiliates, any of their respective parent companies or any of their subsidiaries/affiliates which relates to this Offering Circular or any Note, such transaction shall not involve the participation of, or otherwise facilitate dealings with, any U.S. Person that is not authorised by the Executive Order.

UNITED KINGDOM

Each of the Joint Lead Managers has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

HONG KONG

Each of the Joint Lead Managers has represented, warranted and undertaken that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**SFO**”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

THE PEOPLE’S REPUBLIC OF CHINA

Each Joint Lead Manager represents, warrants and agrees that no Notes will be offered or sold in the PRC (for such purposes, not including the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan Region) directly or indirectly, except in compliance with applicable laws and regulations. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful or make the offer or solicitation in the PRC.

SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

GENERAL INFORMATION

1. **Clearing Systems:** The 2030 Notes have been accepted for clearance by the CMU under CMU Instrument Number: BOAKFN25042, Common Code: 320940273 and ISIN: HK0001206322.

The 2035 Notes have been accepted for clearance by the CMU under CMU Instrument Number: BOAKFN25043, Common Code: 321076033 and ISIN: HK0001206488.

2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Notes, the Trust Deeds and the Agency Agreements. The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed on 4 November 2025. The Guarantor has obtained all consents, approvals and authorisations (including without limitation the obtaining of the approval from SAFE in respect of the Guarantor giving the Guarantee of the Notes and all other consents and licences and the making of any filing or registration) in connection with the giving of the Guarantee of the Notes and the performance of its obligations under the Deeds of Guarantee, the Trust Deeds and the Agency Agreements. The giving of the Guarantee of the Notes was authorised by resolutions of the board and the shareholders of the Guarantor passed on 27 and 28 March 2025 and 20 June 2025, respectively.
3. **Registrations and Filings:** Pursuant to the NDRC Foreign Debt Measures issued by the NDRC on 5 January 2023 which came into effect on 10 February 2023, the Issuer has registered the issuance of the Notes with the NDRC and obtained a certificate from NDRC on 23 October 2025 evidencing such registration and undertakes to provide the requisite information on the issuance of the Notes to the NDRC within the prescribed timeframe. The NDRC Post-issue Filing is a procedural process rather than a substantive approval or consent process. Any failure by the Issuer to complete the NDRC Post-issue Filing in accordance with the NDRC Foreign Debt Measure will not impact the enforceability or validity of the Notes.

The Guarantor will undertake to file or cause to be filed with SAFE for the registration of the Deeds of Guarantee in accordance with, and within the time period prescribed by, the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 and effective from 1 June 2014, and any implementation rules as issued by SAFE from time to time. The Guarantor intends to complete this filing as soon as practicable before the Registration Deadline (being 150 PRC Business Days after the Issue Date).

4. **No Material Adverse Change:** Except as disclosed in this Offering Circular, there has been no material adverse change since 31 December 2024 (in the case of the Guarantor and the Group) or the date of incorporation (in the case of the Issuer), in the financial or trading position, prospects or results of operations of the Issuer, the Guarantor or the Group.
5. **Litigation:** From time to time, the Issuer, the Guarantor and other members of the Group may be involved in litigation or other disputes that arise in the ordinary course of business. However, none of the Issuer, the Guarantor or any member of the Group is currently involved in any litigation, disputes or arbitration proceedings which the Group believes are material in the context of the Notes and the giving of the Guarantee of the Notes, and the Issuer or the Guarantor is not aware of any material litigation, disputes or arbitration proceedings that are currently pending or threatened.
6. **Listing of Notes:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only.

7. **Available Documents:** As long as any of the Notes are outstanding, copies of the following documents will be available for inspection and may be obtained during normal business hours at the specified office of the Issuer at 23/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong:
- Articles of Association of the Issuer and the Guarantor;
 - copies of the audited consolidated financial statements of the Company as at and for the years ended 31 December 2023 and 2024;
 - copies of the reviewed consolidated financial statements of the Company as at and for the six months ended 30 June 2024 and 2025;
 - the Deed of Guarantee in respect of each series of the Notes;
 - the Agency Agreement in respect of each series of the Notes;
 - the Trust Deed; and
 - the Green Finance Framework.
8. **Legal Entity Identifier:** The Legal Entity Identifier of the Issuer is 836800BREZFJQXIMMH20.
9. **Independent Auditors:** The Company's consolidated audited financial statements as at and for the years ended 31 December 2023 and 2024, which are included elsewhere in this Offering Circular, have been audited by Deloitte. The Company's consolidated reviewed financial statements as at and for the six months ended 30 June 2024, which are included elsewhere in this Offering Circular, have been reviewed by Deloitte. The Company's consolidated reviewed financial statements as at and for the six months ended 30 June 2025, which are included elsewhere in this Offering Circular, have been reviewed by Ernst & Young.

The independent auditors of the Company have agreed to the inclusion in this Offering Circular herein of, and all references to, (i) their name; (ii) Deloitte's audit report dated 28 March 2024 on the consolidated financial statements of the Group for the year ended 31 December 2023; (iii) Deloitte's audit report dated 28 March 2025 on the consolidated financial statements of the Group for the year ended 31 December 2024; (iv) Deloitte's review report dated 30 August 2025 on the consolidated financial statements of the Group for the six months ended 30 June 2024; and (v) Ernst & Young's review report dated 29 August 2025 on the consolidated financial statements of the Group for the six months ended 30 June 2025.

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Independent Auditor's Report

De Shi Bao (Shen) Zi (24) No. P02499

To the shareholders of China Railway Construction Corporation Limited:

I. OPINION

We have audited the accompanying financial statements of China Railway Construction Corporation Limited ("the Company", the Company and its subsidiaries collectively referred to as "the Group"), which comprise the consolidated and the Company's statements of financial position as at 31 December 2023, and the consolidated and the Company's statements of profit or loss and other comprehensive income, the consolidated and the Company's statements of changes in equity and the consolidated and the Company's cash flow statements for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of China Railway Construction Corporation Limited give a true and fair view, in all material respects, of the consolidated and the Company's financial position as of 31 December 2023, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The followings are key audit matters that we have determined to communicate in the independent auditor's report.

Independent Auditor's Report (continued)

III. KEY AUDIT MATTERS (Continued)

1. Revenue from construction operations

1.1 Description

As disclosed in Note V. 49 to the consolidated financial statements, the revenue of the Group is mainly derived from construction operations, which has significance to the consolidated financial statements. As stated in Note III. 21 to the consolidated financial statements, for most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time. The revenue is recognised during the contract period according to the expected total contract revenue and total contract costs based on the performance progress, which is determined by input method. The expected total contract revenue and total contract costs shall be determined according to the contract budget of the contracted project, which shall be continuously evaluated and revised during the execution of the contract. The relevant contract budget involves the management's use of significant accounting estimations and judgements. We identified the revenue from construction operations as a key audit matter due to the fact that the accounting treatments of which require significant estimations and judgments.

1.2 Audit Response

Our procedures in relation to recognition of revenue from construction operations mainly included:

- (1) Testing and evaluating the effectiveness of the key internal controls in place on budget preparation and revenue recognition of the construction operations;
- (2) Checking on a sample basis, whether the expected total contract revenue and total contract costs are consistent with the project contract and cost budget that they base on;
- (3) Checking construction costs incurred during the year by tracing to support documentation on a sample basis, and performing cut-off tests on construction costs;
- (4) Recalculating the calculation accuracy on performance progress of construction operations by reference to construction contract ledger on a sample basis;
- (5) Visiting the selected samples of sites of construction projects to observe the progress of the construction work, discussing with the site project managers the extent to which the construction work was completed, evaluating the reasonableness of the performance progress in record and performing gross margin analysis.

Independent Auditor's Report (continued)

III. KEY AUDIT MATTERS (Continued)

2. Impairment of trade receivables and contract assets

2.1 Description

As stated in Note III. 35 "Impairment of trade receivables and contract assets" to the consolidated financial statements, the Group measures loss allowances for trade receivables and contract assets based on lifetime expected credit losses. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually based on the evidence of credit-impairment and forward-looking information. Except for the trade receivables and contract assets whose impairment of credit losses are assessed individually, the Group's management classifies the trade receivables and contract assets into different portfolios based on collective credit risk characteristics, and uses provision matrix to assess expected credit losses. The provision rates of each portfolio are based on the Group's historical actual loss rates, taking into consideration forward-looking information. We identified the impairment of trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimates and judgements.

2.2 Audit response

Our procedures in relation to the impairment of trade receivables and contract assets mainly included:

- (1) Testing and evaluating the effectiveness of the key internal controls relating to the management and impairment test of trade receivables and contract assets;
- (2) Corroborating the relevant consideration and objective evidence used by the management in assessing the expected credit losses of trade receivables and contract assets;
- (3) For trade receivables and contract assets individually assessed for expected credit losses, reviewing the supporting documentation and assessing the reasonableness of the provision determined by the management based on the customer's financial and credit status, historical payment rate and the forecast of the future financial status on a sample basis;
- (4) For trade receivables and contract assets assessed by provision matrix based on collective credit risk characteristics for expected credit losses, assessing the reasonableness of portfolios classification and provision rates of each portfolio determined by the management, including recalculation of historical actual loss rates determined by the management, and involving our internal valuation specialists to evaluate the appropriateness of management's assessment of forward-looking information; Meanwhile, checking the appropriateness of classification of trade receivables and contract assets in the provision matrix based on collective credit risk characteristics for expected credit losses on a sample basis.

Independent Auditor's Report (continued)

IV. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the 2023 Annual Report, but does not include the financial statements and our independent auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

Independent Auditor's Report (continued)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

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

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

Deloitte Touche Tohmatsu CPA LLP
Shanghai China

Chinese Certified Public Accountant: **Chen Xi**
(Engagement partner)

Chinese Certified Public Accountant: **Shi Xiao**
(Engagement partner)

28 March 2024

This independent auditor's report of the financial statements and the accompanying financial statements are English translations of the independent auditor's report and the financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Statement of Financial Position

As at 31 December 2023

RMB'000

ASSETS	Note V	31 December 2023	31 December 2022 (restated)
Current assets			
Cash and bank balances	1	166,957,837	158,424,810
Held-for-trading financial assets	2	1,629,785	961,298
Bills receivable	3	3,229,041	8,495,031
Receivables at fair value through other comprehensive income	4	2,723,520	3,321,965
Trade receivables	5	155,809,067	141,229,619
Advances to suppliers	6	21,712,629	27,473,837
Other receivables	7	56,902,615	66,050,468
Inventories	8	307,642,792	299,818,526
Contract assets	9	291,782,104	254,463,518
Held-for-sale assets		—	58,873
Current portion of non-current assets	10	29,531,809	26,080,161
Other current assets	11	26,831,432	23,674,072
Total current assets		1,064,752,631	1,010,052,178
Non-current assets			
Loans and advances to customers	12	1,686,305	1,445,190
Long-term receivables	13	109,859,078	80,554,812
Long-term equity investments	14	149,278,357	127,985,238
Debt investments	15	6,016,176	9,076,297
Other debt investments	16	5,115,845	4,934,663
Other non-current financial assets	17	10,287,149	8,387,687
Other equity instrument investments	18	12,575,571	11,940,051
Investment properties	19	11,399,446	9,898,342
Fixed assets	20	73,269,486	66,085,799
Construction in progress	21	5,810,715	7,593,171
Right-of-use assets	22	7,140,700	5,154,357
Intangible assets	23	69,736,458	62,530,742
Development expenditure		15,472	45,761
Goodwill	24	55,617	163,518
Long-term prepayments		852,730	791,514
Deferred tax assets	25	11,211,912	9,103,023
Other non-current assets	26	123,955,930	108,171,238
Total non-current assets		598,266,947	513,861,403
TOTAL ASSETS		1,663,019,578	1,523,913,581

Consolidated Statement of Financial Position (continued)

As at 31 December 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2023	31 December 2022 (restated)
Current liabilities			
Short-term loans	27	81,839,758	51,367,562
Due to customers	28	1,356,691	3,168,603
Bills payable	29	53,461,242	89,607,342
Trade payables	30	491,567,214	425,568,938
Advances from customers		233,083	311,908
Contract liabilities	31	150,196,302	164,118,787
Employee benefits payable	32	16,117,433	13,906,737
Taxes payable	33	9,059,277	8,936,891
Other payables	34	106,058,137	100,528,887
Current portion of non-current liabilities	35	54,468,518	45,527,795
Other current liabilities	36	33,694,786	31,594,097
Total current liabilities		998,052,441	934,637,547
Non-current liabilities			
Long-term loans	37	165,621,478	133,415,428
Bonds payable	38	31,031,549	28,096,696
Lease liabilities	39	4,080,407	2,451,292
Long-term payables	40	41,263,172	34,800,914
Long-term employee benefits payable		65,376	80,318
Provisions		1,449,484	1,137,854
Deferred income	41	1,012,593	1,056,021
Deferred tax liabilities	25	2,008,603	1,624,833
Other non-current liabilities		1,314,702	692,626
Total non-current liabilities		247,847,364	203,355,982
Total liabilities		1,245,899,805	1,137,993,529

Consolidated Statement of Financial Position (continued)

As at 31 December 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2023	31 December 2022 (restated)
Shareholders' equity			
Share capital	42	13,579,542	13,579,542
Other equity instruments	43	59,463,430	59,959,677
Capital reserve	44	48,847,173	48,907,056
Other comprehensive income	45	(667,494)	(819,139)
Special reserve	46	—	—
Surplus reserve	47	6,789,771	6,789,771
Retained earnings	48	181,825,095	161,981,132
Total equity attributable to owners of the Company		309,837,517	290,398,039
Non-controlling interests		107,282,256	95,522,013
Total shareholders' equity		417,119,773	385,920,052
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,663,019,578	1,523,913,581

The accompanying notes form part of the financial statements.

The financial statements on page 260 to page 600 have been signed by the following:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department:
Wang, Lei

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)
Revenue	49	1,137,993,486	1,096,312,867
Less: Cost of sales	49	1,019,683,082	985,747,674
Taxes and surcharges	50	4,296,937	4,173,433
Selling and distribution expenses	51	7,377,871	6,642,387
General and administrative expenses	52	23,466,318	21,873,045
Research and development expenses	53	26,725,454	25,003,936
Finance costs	54	4,661,449	3,578,296
Including: Interest expenses		7,459,090	6,143,183
Interest income		4,216,238	4,391,798
Add: Other income	57	954,634	1,098,735
Investment losses	58	(4,229,965)	(4,665,935)
Including: Share of profits (losses) of associates and joint ventures		564,987	(1,129,198)
Losses from derecognition of financial assets measured at amortised cost		(5,563,839)	(5,911,105)
Losses on fair value changes	59	(643,564)	(462,611)
Impairment losses on assets	55	(3,461,187)	(3,050,914)
Impairment of credit losses	56	(6,480,044)	(4,887,824)
Gains on disposal of assets		671,460	76,037
Operating profit		38,593,709	37,401,584
Add: Non-operating income	60	980,751	1,183,193
Less: Non-operating expenses	61	746,308	760,315
Profit before tax		38,828,152	37,824,462
Less: Income tax expenses	63	6,499,423	6,030,172
Net profit		32,328,729	31,794,290

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)
Classified by the continuity of operation			
Net profit from continuing operations		32,328,729	31,794,290
Net profit from discontinued operations		—	—
Classified by the ownership			
Net profit attributable to owners of the Company		26,096,971	26,680,796
Net profit attributable to non-controlling interests		6,231,758	5,113,494
Other comprehensive income/(expenses), net of tax	45		
Other comprehensive income attributable to owners of the Company, net of tax		363,575	412,141
Other comprehensive income/(expenses) not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		(41,838)	(209,526)
Others		(878)	(4,165)
Other comprehensive income/(expenses) to be reclassified to profit or loss			
Shares of other comprehensive income that will be reclassified subsequently into profit or loss by the investee under equity method		192,843	207,426
Changes in fair value of other debt investments		16,243	(11,684)
Exchange differences on translation of foreign operations		191,747	434,416
Changes in fair value of receivables at fair value through other comprehensive income		5,458	(4,326)
Other comprehensive income attributable to non-controlling interests, net of tax		11,950	21,324
Total comprehensive income		32,704,254	32,227,755
Including:			
Total comprehensive income attributable to owners of the Company		26,460,546	27,092,937
Total comprehensive income attributable to non-controlling interests		6,243,708	5,134,818
Earnings per share:			
Basic earnings per share (RMB/share)	64	1.73	1.76
Diluted earnings per share (RMB/share)	64	1.73	1.76

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		1,154,794,097	1,146,501,353
Refunds of tax		2,412,808	6,157,064
Net (decrease) increase in due to customers and due to banks		(1,811,912)	1,580,074
Cash received from other operating activities	65(1)	25,121,559	25,368,409
Subtotal of cash inflows from operating activities		1,180,516,552	1,179,606,900
Cash paid for goods and services		1,031,538,606	995,206,318
Net increase (decrease) in loans and advances to customers		250,000	(1,575,000)
Net (decrease) increase in balances with the central bank		(324,393)	371,030
Cash paid to and on behalf of employees		80,378,095	78,315,658
Payments of various types of taxes		30,931,897	30,169,398
Cash paid for other operating activities	65(2)	17,330,299	20,984,544
Subtotal of cash outflows from operating activities		1,160,104,504	1,123,471,948
Net cash flows generated from operating activities	66(1)	20,412,048	56,134,952
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		8,276,406	7,737,254
Cash received from investment income		2,804,336	1,311,902
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,856,043	2,469,661
Net decrease in cash and bank balances with title restrictions		95,594	3,541,005
Net cash received from disposal of subsidiaries	66(3)	16,483	2,917,275
Cash received from other investing activities	65(3)	1,903,558	3,919,717
Subtotal of cash inflows from investing activities		16,952,420	21,896,814

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023

		RMB'000	
ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		34,920,632	30,260,294
Cash paid for acquisition of investments		37,110,210	47,282,216
Cash paid for other investing activities		830,729	–
Subtotal of cash outflows from investing activities		72,861,571	77,542,510
Net cash flows used in investing activities		(55,909,151)	(55,645,696)
3. Cash Flows from Financing Activities:			
Cash received as capital contributions		15,085,432	34,974,590
Including: Cash received from non-controlling shareholders of subsidiaries		7,893,033	20,847,519
Cash received from issuing bonds		14,635,000	13,312,304
Cash received from borrowings		292,345,192	235,271,518
Cash received from other financing activities		1,466,955	1,262,277
Subtotal of cash inflows from financing activities		323,532,579	284,820,689
Cash repayments for borrowings		244,732,659	209,363,634
Cash paid for distribution of dividends or profits and for interest expenses		23,267,207	21,790,918
Including: Cash paid to non-controlling shareholders for distribution of dividends by subsidiaries		3,742,646	3,710,689
Cash paid for other financing activities	65(4)	10,941,208	19,771,914
Subtotal of cash outflows from financing activities		278,941,074	250,926,466
Net cash flows generated from financing activities		44,591,505	33,894,223

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023

RMB'000

ITEM	Note V	For the year ended 31 December 2023	For the year ended 31 December 2022
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(972,117)	390,152
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		8,122,285	34,773,631
Add: Cash and cash equivalents at beginning of the year	66(4)	144,515,492	109,741,861
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	66(4)	152,637,777	144,515,492

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2023									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2022	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	162,067,076	290,483,983	95,531,880	386,015,863
(I) Changes in accounting policies (Note III.36)	-	-	-	-	-	-	(85,944)	(85,944)	(9,867)	(95,811)
II. As at 1 January 2023 (restated)	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052
III. Increase/(decrease) during the year	-	(496,247)	(59,883)	151,645	-	-	19,843,963	19,439,478	11,760,243	31,199,721
(I) Total comprehensive income	-	-	-	363,575	-	-	26,096,971	26,460,546	6,243,708	32,704,254
(II) Capital contributions and withdrawals by shareholders	-	(496,247)	(59,883)	-	-	-	(114,667)	(670,797)	9,304,617	8,633,820
1. Capital contributions and withdrawals by Shareholders	-	-	49,639	-	-	-	(114,667)	(65,028)	9,188,065	9,123,037
2. Capital contributions and withdrawals by other equity instruments holders (Note V.43)	-	(496,247)	(11,354)	-	-	-	-	(507,601)	-	(507,601)
3. Equity transactions with non-controlling interests	-	-	(98,168)	-	-	-	-	(98,168)	116,552	18,384
4. Others	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	(6,350,271)	(6,350,271)	(3,788,082)	(10,138,353)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,350,271)	(6,350,271)	(3,788,082)	(10,138,353)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	19,301,569	-	-	19,301,569	-	19,301,569
2. Used in current year	-	-	-	-	(19,301,569)	-	-	(19,301,569)	-	(19,301,569)
(V) Others (Note V.45)	-	-	-	(211,930)	-	-	211,930	-	-	-
IV. As at 31 December 2023	13,579,542	59,463,430	48,847,173	(667,494)	-	6,789,771	181,825,095	309,837,517	107,282,256	417,119,773

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2022									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2021	13,579,542	63,253,806	44,886,585	(1,276,492)	–	6,789,771	141,556,080	268,789,292	77,703,704	346,492,996
(I) Changes in accounting policies (Note III.36)	–	–	–	–	–	–	(124,646)	(124,646)	(12,677)	(137,323)
II. As at 1 January 2022 (restated)	13,579,542	63,253,806	44,886,585	(1,276,492)	–	6,789,771	141,431,434	268,664,646	77,691,027	346,355,673
III. Increase/(decrease) during the year	–	(3,294,129)	4,020,471	457,353	–	–	20,549,698	21,733,393	17,830,986	39,564,379
(I) Total comprehensive income	–	–	–	412,141	–	–	26,680,796	27,092,937	5,134,818	32,227,755
(II) Capital contributions and withdrawals by shareholders	–	(3,294,129)	4,020,471	–	–	–	–	726,342	16,522,425	17,248,767
1. Capital contributions and withdrawals by Shareholders	–	–	–	–	–	–	–	–	9,378,585	9,378,585
2. Capital contributions and withdrawals by other equity instruments holders	–	(3,294,129)	(17,164)	–	–	–	–	(3,311,293)	–	(3,311,293)
3. Equity transactions with non-controlling interests	–	–	4,048,596	–	–	–	–	4,048,596	7,143,840	11,192,436
4. Others	–	–	(10,961)	–	–	–	–	(10,961)	–	(10,961)
(III) Profit distribution	–	–	–	–	–	–	(6,085,886)	(6,085,886)	(3,826,257)	(9,912,143)
1. Appropriation to statutory surplus reserve	–	–	–	–	–	–	–	–	–	–
2. Distribution to shareholders (Note V.48)	–	–	–	–	–	–	(6,085,886)	(6,085,886)	(3,826,257)	(9,912,143)
(IV) Special reserve (Note V.46)	–	–	–	–	–	–	–	–	–	–
1. Appropriated in current year	–	–	–	–	17,471,410	–	–	17,471,410	–	17,471,410
2. Used in current year	–	–	–	–	(17,471,410)	–	–	(17,471,410)	–	(17,471,410)
(V) Others (Note V.45)	–	–	–	45,212	–	–	(45,212)	–	–	–
IV. As at 31 December 2022	13,579,542	59,959,677	48,907,056	(819,139)	–	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052

The Company's Statement of Financial Position

As at 31 December 2023

		RMB'000	
ASSETS	Note XIV	31 December 2023	31 December 2022 (restated)
Current assets			
Cash and bank balances		19,640,835	17,919,976
Held-for-trading financial assets		63,368	71,040
Trade receivables	1	2,854,061	2,220,335
Advances to suppliers		574,398	309,918
Other receivables	2	18,985,581	26,646,967
Inventories		2,758	3,383
Contract assets		666,681	1,580,744
Current portion of non-current assets		10,800,000	9,570,770
Other current assets		149,127	426,861
Total current assets		53,736,809	58,749,994
Non-current assets			
Long-term receivables		43,541,609	40,287,333
Long-term equity investments	3	103,305,853	102,246,493
Other equity instrument investments		307,245	277,286
Fixed assets		352,035	26,086
Construction in progress		21,146	402,505
Right-of-use assets		3,200	32,582
Intangible assets		191,072	169,650
Long-term prepayments		6,494	2,030
Deferred tax assets		—	303
Other non-current assets		2,411,623	2,494,873
Total non-current assets		150,140,277	145,939,141
TOTAL ASSETS		203,877,086	204,689,135

The Company's Statement of Financial Position (continued)

As at 31 December 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note XIV	31 December 2023	31 December 2022 (restated)
Current liabilities			
Trade payables		9,451,734	8,217,624
Contract liabilities		388,349	869,992
Employee benefits payable		138,035	132,365
Taxes payable		8,799	188,770
Other payables	4	14,427,368	20,898,012
Current portion of non-current liabilities		542,228	1,247,027
Other current liabilities		595,629	556,915
Total current liabilities		25,552,142	32,110,705
Non-current liabilities			
Long-term loans	5	3,734,276	3,708,802
Lease liabilities		661	1,470
Long-term payables		3,030,202	2,154,374
Long-term employee benefits payable		4,904	7,394
Deferred income		4,050	—
Deferred tax liabilities		30,442	30,243
Total non-current liabilities		6,804,535	5,902,283
Total liabilities		32,356,677	38,012,988
Shareholders' equity			
Share capital	Note V. 42	13,579,542	13,579,542
Capital reserve		46,857,956	46,869,310
Other comprehensive income		64,440	41,971
Other equity instruments	Note V. 43	59,463,430	59,959,677
Special reserve		—	—
Surplus reserve	Note V. 47	6,789,771	6,789,771
Retained earnings		44,765,270	39,435,876
Total shareholders' equity		171,520,409	166,676,147
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		203,877,086	204,689,135

The Company's Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

RMB'000

ITEM	Note XIV	For the year ended 31 December 2023	For the year ended 31 December 2022 (restated)
Revenue	6	11,663,131	9,754,568
Less: Cost of sales	6	11,111,331	8,542,489
Taxes and surcharges		3,632	5,999
Selling and distribution expenses		436,400	88,395
General and administrative expenses		765,769	539,101
Research and development expenses		107,017	97,039
Finance costs	7	(2,285,681)	(1,571,900)
Including: Interest expenses		633,119	630,677
Interest income		2,903,756	3,123,900
Add: Other income		1,521	3,017
Investment income	8	10,171,449	11,504,567
Losses on fair value changes		(7,672)	(20,298)
Impairment gains on assets		9,584	1,326
Impairment of credit losses		(17,715)	(81,889)
Gains on disposal of assets		–	2
Operating profit		11,681,830	13,460,170
Add: Non-operating income		199	2,206
Less: Non-operating expenses		9,353	29,359
Profit before tax		11,672,676	13,433,017
Less: Income tax expenses		(6,989)	7,018
Net profit		11,679,665	13,425,999
Classified by the continuity of operation			
Net profit from continuing operations		11,679,665	13,425,999
Net profit from discontinued operations		–	–
Other comprehensive income/(expenses), net of tax		22,469	(23,265)
Other comprehensive income/(expenses) not to be reclassified to profit or loss			
Re-measurement of defined benefit plan, net of tax		–	(90)
Changes in fair value of other equity instrument investments		22,469	(23,175)
Total comprehensive income		11,702,134	13,402,734

The Company's Statement of Cash Flows

For the year ended 31 December 2023

RMB'000

ITEM	Note XIV	For the year ended 31 December 2023	For the year ended 31 December 2022
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		12,005,801	9,919,239
Refunds of tax		69	23,301
Cash received from other operating activities		41,101,074	37,141,854
Subtotal of cash inflows from operating activities		53,106,944	47,084,394
Cash paid for goods and services		11,410,624	10,279,420
Cash paid to and on behalf of employees		482,104	439,591
Cash paid for all taxes		39,229	26,185
Cash paid for other operating activities		34,757,589	29,966,544
Subtotal of cash outflows from operating activities		46,689,546	40,711,740
Net cash flows generated from operating activities	9(1)	6,417,398	6,372,654
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		28,471	–
Cash received from investment income		8,551,891	9,573,692
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9	3
Subtotal of cash inflows from investing activities		8,580,371	9,573,695
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		14,976	56,290
Cash paid for acquisition of investments		1,059,360	1,340,000
Net increase in cash and bank balances with title restrictions		25,745	15,094
Subtotal of cash outflows from investing activities		1,100,081	1,411,384
Net cash flows generated from investing activities		7,480,290	8,162,311

The Company's Statement of Cash Flows (continued)

For the year ended 31 December 2023

RMB'000

ITEM	Note XIV	For the year ended 31 December 2023	For the year ended 31 December 2022
3. Cash Flows from Financing Activities:			
Cash received as capital contributions		7,192,399	13,988,708
Cash received from borrowings		1,531,474	2,671,802
Cash received from issuing bonds		6,000,000	–
Subtotal of cash inflows from financing activities		14,723,873	16,660,510
Cash repayments for borrowings		13,134,333	1,523,502
Cash paid for distribution of dividends or profits and for interest expenses		6,442,726	6,149,469
Cash paid for other financing activities		7,734,004	17,333,656
Subtotal of cash outflows from financing activities		27,311,063	25,006,627
Net cash flows used in from financing activities		(12,587,190)	(8,346,117)
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(3,973)	145,451
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		1,306,525	6,334,299
Add: Opening Balance of Cash and Cash Equivalents	9(2)	18,757,618	12,423,319
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9(2)	20,064,143	18,757,618

The Company's Statement of Changes in Equity

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2023							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,692	166,675,963
(I) Changes in accounting policies	-	-	-	-	-	-	184	184
II. As at 1 January 2023 (restated)	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,876	166,676,147
III. Increase/(decrease) during the year	-	(496,247)	(11,354)	22,469	-	-	5,329,394	4,844,262
(I) Total comprehensive income	-	-	-	22,469	-	-	11,679,665	11,702,134
(II) Capital contributions and withdrawals by shareholders	-	(496,247)	(11,354)	-	-	-	-	(507,601)
1. Capital contributions and withdrawals by other equity instruments holders (Note V.43)	-	(496,247)	(11,354)	-	-	-	-	(507,601)
(III) Profit distribution	-	-	-	-	-	-	(6,350,271)	(6,350,271)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,350,271)	(6,350,271)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	194,411	-	-	194,411
2. Used in current year	-	-	-	-	(194,411)	-	-	(194,411)
IV. As at 31 December 2023	13,579,542	59,463,430	46,857,956	64,440	-	6,789,771	44,765,270	171,520,409

The Company's Statement of Changes in Equity (continued)

For the year ended 31 December 2023

RMB'000

ITEM	For the year ended 31 December 2022							Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. As at 31 December 2021	13,579,542	63,253,806	46,886,474	65,236	-	6,789,771	32,095,833	162,670,662
(I) Changes in accounting policies	-	-	-	-	-	-	(70)	(70)
II. As at 1 January 2022 (restated)	13,579,542	63,253,806	46,886,474	65,236	-	6,789,771	32,095,763	162,670,592
III. Increase/(decrease) during the year	-	(3,294,129)	(17,164)	(23,265)	-	-	7,340,113	4,005,555
(I) Total comprehensive income	-	-	-	(23,265)	-	-	13,425,999	13,402,734
(II) Capital contributions and withdrawals by shareholders	-	(3,294,129)	(17,164)	-	-	-	-	(3,311,293)
1. Capital contributions and withdrawals by other equity instruments holders	-	(3,294,129)	(17,164)	-	-	-	-	(3,311,293)
(III) Profit distribution	-	-	-	-	-	-	(6,085,886)	(6,085,886)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.48)	-	-	-	-	-	-	(6,085,886)	(6,085,886)
(IV) Special reserve (Note V.46)	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	185,153	-	-	185,153
2. Used in current year	-	-	-	-	(185,153)	-	-	(185,153)
IV. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,876	166,676,147

Notes to the Financial Statements

For the year ended 31 December 2023

I CORPORATE INFORMATION

China Railway Construction Corporation Limited (the “Company”) is a joint stock limited company with limited liability registered in Beijing in the People’s Republic of China (the “PRC” or “Mainland China”) on 5 November 2007. The Company’s shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered address of the Company’s head office is located at East No. 40 Fuxing Road, Haidian District, Beijing, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly consist of construction operations, planning, design and consultancy operations, trade and logistics, manufacturing operations and real estate development operations.

The Company’s parent and ultimate holding company is China Railway Construction Corporation (referred to as the “Controlling Shareholder”), a company registered in PRC.

These financial statements have been approved and authorised for issue by the board of directors of the Company on 28 March 2024.

The scope of consolidated financial statements shall be determined on the basis of control. Refer to Note VI for the changes of consolidation scope for the period.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared by the Group on a going-concern basis in accordance with *Accounting Standards for Business Enterprises* and other relevant provisions issued and revised subsequently by the Ministry of Finance of the People’s Republic of China (“Ministry of Finance”) (collectively referred to as “Accounting Standards for Business Enterprises”). In addition, the financial statements are also disclosed in accordance with *Information Disclosure and Presentation Rules for Companies Public offering Securities No. 15 – General Provisions on Financial Reporting* (revised by China Securities Regulatory Commission in 2023).

In accordance with the *Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong* issued by the Hong Kong Stock Exchange in December 2010, the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents issued by the Ministry of Finance and China Securities Regulatory Commission (“CSRC”), the Company ceased to provide financial reports prepared in accordance with *Accounting Standards for Business Enterprises* and *International Financial Reporting Standards* separately to A-share shareholders and H-share shareholders from the year of 2011 with the approval of the Company’s general meeting of shareholders. Instead, the Company provides all shareholders with financial reports solely prepared in accordance with *China Accounting Standards*, taking into account the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in preparing such financial reports.

The Group has adopted accrual basis for accounting measurement. The financial statements have been presented under the historical cost, except for certain financial assets which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and accounting estimates, including the impairment of receivables and contract assets, the measurement of inventories, the provisions for decline in value of inventories, the depreciation methods and the depreciation rates of the fixed assets, the amortisation methods of the intangible assets, the method of long-term assets impairment testing, and the policy for revenue recognition, etc.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present fairly and fully the financial position of the Group and the Company as at 31 December 2023 and the consolidated and the Company's financial performance, the consolidated and the Company's changes in equity and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company may determine their own functional currencies based on their specific economic environments. The Group adopts RMB to prepare its financial statements.

4. Determination method for materiality criterion and basis for selection

The Group applies the principle of materiality to prepare and present financial statements. An item is material if it is reasonably expected that the omission or misstatement of the item in the financial statements would affect the economic decision made by the user accordingly. When judging the materiality, the Group determined whether the item is material from two aspects, the nature of the item (whether it arises from the Group's normal activities, whether it materially affects the Group's financial position, financial performance, and cash flows, etc) and the amount of the item (the proportion of the amount to the Group's key financial indicator, including revenue, cost of sales, net profit, total assets, total liabilities, total shareholders' equity or the proportion to the amount of specific line item).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

5.1 Business

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs, and its costs or revenue generated can be calculated independently.

The sets of activities and assets acquired in the combination can be considered as business only when the sets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When no output created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes, and including necessary materials, rights, other necessary economic resources and other necessary inputs, for example techniques, research and development projects, real estates, mining equity, etc.

When outputs created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant costs.

When judging the sets of activities and assets acquired in the combination can be considered as business, the Group considers that it can be managed and operated as a business from the perspective of market participants, rather than judging by the management intention or the operating history of the acquiree.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations (Continued)

5.2 Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is a party being acquired. The combination date is the date on which the acquirer effectively obtains control of the party being acquired.

Assets and liabilities (including the goodwill recognised by the ultimate controlling party in acquisition of the acquiree) that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the combination date as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the year in which they are incurred.

5.3 Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations (Continued)

5.3 Business combinations involving entities not under common control (Continued)

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the purchase date.

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable assets. Goodwill is subsequently measured at cost deducted by accumulated provision. If the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognised in profit or loss.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was affected, the acquirer recognises and measures the combination using those provisional values. Any adjustments to those provisional values within twelve months after the acquisition date are treated as if they had been recognised and measured on the acquisition date.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (Continued)

All intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "non-controlling interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "net profit attributable to non-controlling interests" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under shareholders' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received on disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights related to administrative tasks only. The relevant activities of a structured entity are directed by means of contractual agreements. When the Group acts as an asset manager in a structured entity, the Group is required to determine whether it is exercising decision-making rights as a principal or an agent in the structured entities. If the Group (as an asset manager) is only acting as an agent, it exercises decision-making rights on behalf of the principal (other investors of the structured entities) and does not control the structured entities. If the Group (as an asset manager) is exercising decision-making rights on its own behalf, it is the principal and controls the structured entities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Joint arrangement and joint operations

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In respect of joint operations, the Group as a party of joint operation recognises its interest in a joint operation: (1) its assets held individually and its share of assets held jointly; (2) its liabilities assumed individually and its share of liabilities assumed jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its expenses incurred individually and its share of expenses incurred jointly.

The Group measures its joint ventures under equity method, please refer to Note III. 13.3.2.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and foreign currency translations

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rate ruling at the balance sheet date. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign spot exchange rates at the transaction dates and do not change the amounts of functional currency.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Foreign currency transactions and foreign currency translations (Continued)

For foreign operations, the Group translates functional currencies of overseas financial statements into RMB financial statements. All assets and liabilities are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the spot exchange rates ruling at the transaction dates; all items in the statement of profit or loss and other comprehensive income and items reflect amounts of profit distribution are translated at the spot exchange rates at the transaction dates. The undistributed profit at the beginning of the year/period equals the translated undistributed profit of the previous year/period; the undistributed profit at the end of the year/period is calculated according to the translated profit distribution items. Exchange fluctuations arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to profit or loss in the same period.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the spot exchange rates ruling at the dates of the cash flows. The effect of changes in exchange rates on cash and cash equivalents are presented as a reconciled item separately in the statement of cash flows.

10. Financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument. For the financial assets that are purchased and sold under regular ways, the assets to be acquired and the liabilities to be assumed are recognised on the trade days, and the assets sold are derecognised on the trade days.

On initial recognition, financial assets and financial liabilities are recognised at fair value. For financial assets and financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss; transaction costs relating to other categories of financial assets and financial liabilities are included in the value initially recognised. For trade receivables initially recognised that do not contain a significant financing component or a financing component included in the contracts less than one year which are not considered, which are within the scope of *Accounting Standard for Business Enterprises No. 14 – Revenue* (ASBE No. 14), transaction prices shall be adopted on initial recognition.

The effective interest method is a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation of the interest income or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all the contractual terms of the financial asset or financial liability (for example, prepayment, extension, call option or similar options) but shall not consider the expected credit losses.

The amortised cost of a financial asset or a financial liability is the amount of a financial asset, or a financial liability initially recognised net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative credit loss allowance (only applicable to financial assets).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

10.1.1 Financial assets measured as at amortised cost

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model of which objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial assets measured at amortised cost. The Group's financial assets measured at amortised cost including cash and bank balances, bills receivable, trade receivables, other receivables, loans and advances to customers, long-term receivables due within one year that are presented under non-current assets due within one year and debt investments due within one year that are presented under non-current assets due within one year.

The above financial assets are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

Interest income from financial assets at amortised cost and at fair value through other comprehensive income is recognised based on the effective interest method. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial asset, except:

- (1) For the purchased or internally generated credit-impaired financial assets, the Group recognises interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- (2) For the purchased or internally generated financial assets without credit-impairment but subsequently becoming credit-impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If the credit impairment no longer exists due to an improvement in credit risk of the financial instruments subsequently and such improvement is relevant to some events occurred after applying the policies mentioned above, the Group recognises interest income based on applying effective interest rate to gross carrying amount of the financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets (Continued)

10.1.2 Financial assets classified as at fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income: the financial asset is held within a business model of which objective is achieved by both collecting contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as at FVTOCI are presented by the Group as other debt investments (non-current assets due within one year and are present as Current portion of non-current assets) and receivables at FVTOCI in financial statements.

Financial assets classified as at FVTOCI's relevant loss/gain on impairment and interest income based on effective interest rate are recognised in profit or loss. Except for the above circumstances, changes in fair value of such financial assets are all recognised in other comprehensive income. Such financial assets' changes that are recognised in profit or loss in each period equal to their changes that are recognised in profit or loss in each period as they are measured at amortised cost from acquisition date. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in profit or loss.

10.1.3 Financial assets designated as at fair value through other comprehensive income

On initial recognition, the Group may irrevocably designate non-trading equity instruments as financial assets at fair value through other comprehensive income on an individual basis. Financial assets designated as at fair value through other comprehensive income are presented by the Group as other equity instrument investments in financial statements.

The fair value changes of such financial asset is recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in equity instruments, dividend income is recognised in profit or loss for the period when the Group has right to collect dividend, the economic benefits associated with dividend will probably flow into the Group and the amount of dividend can be reliably measured.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets (Continued)

10.1.4 Financial assets measured at fair value through profit or loss (FVTPL)

Any financial assets that do not qualify for amortised cost measurement or measurement at FVTOCI or designated at FVTOCI are classified into financial assets at FVTPL. FVTPL are presented by the Group as held-for-trading financial assets and other non-current financial assets items in the statement of financial position, based on its liquidity.

The above financial assets are subsequently measured at fair value. Gains or losses arising from fair value changes and dividends and interest income in relation to such financial assets are recognised in profit or loss for the period.

10.2 Impairment of financial assets

The Group recognises loss allowance for financial assets measured as at amortised cost, financial assets classified as at FVTOCI, lease receivables, contract assets and financial guarantee contracts based on expected credit losses ("ECL").

The Group measures loss allowance for contract assets, trade receivables and lease receivables based on the amount of full lifetime ECL.

For other financial instruments, except for the purchased or internally generated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has not increased significantly since initial recognition, the Group recognises loss allowance based on 12-month ECL of the financial instrument. If the credit risk of the above financial instruments has increased significantly, the Group measures loss based on the amount of ECL for their full lifetime. The increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for financial assets classified as at FVTOCI, impairment of credit losses decreases the gross carrying amount of financial assets. For financial assets classified as at FVTOCI, the Group recognises credit loss allowance in other comprehensive income and does not decrease the carrying amount of such financial assets in the statement of financial position.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, at each balance sheet date, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at each balance sheet date. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment.

10.2.1 Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group uses available, reasonable and supportable forward-looking information, to compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For financial guaranteed contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: Whether the actual or expected operating results of the debtor have changed significantly; Whether supervisory, economic or technical environment for the debtor has significant detrimental changes; Whether value of collateral against debt mortgage or guarantee/ credit enhancement provided by a third party has changed significantly. It is expected that the aforesaid changes are economic motives that will lower the debtor's repayment based on contractual stipulation or have an impact on probability of default; Whether the debtor's expected performance and repayment activities have changed significantly; Whether the Group's financial instrument management measures have changed, etc.

At the balance sheet date, the Group assumes that credit risk of the financial instrument has not increased significantly since initial recognition when the Group determines that the financial instrument is only exposed to low credit risk. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.2 Credit-impaired financial assets

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

- (1) Significant financial difficulty of the issuer or debtor;
- (2) A breach of contract by the debtor, such as a default or overdue in interest or principal payments;
- (3) The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It becomes probable that the debtor will enter bankruptcy or other financial reorganisations;
- (5) Other objective evidence indicating the impairment of financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.3 Measurement and recognition of ECL

The Group recognises credit losses for lease receivables and financial guarantee contracts on an individual basis. For trade receivables and contract assets, the Group individually assesses credit losses for those individually significant and credit-impaired and uses provision matrix to assess credit losses for the remaining. For other financial assets measured as at amortised cost and financial assets measured at fair value through other comprehensive income, the Group assesses credit losses on an individual basis for those individually significant and credit-impaired or those individually significant and their credit risk has increased significantly since initial recognition but not credit-impaired, besides, the Group uses provision matrix to assess credit losses for the remaining. The Group classifies financial instruments into different groups based on credit risk characteristics. Credit risk characteristics include type of financial instruments, credit risk rating, contractual billing period and industry of debtor etc.

ECL of relevant financial instruments is recognised based on the following methods:

- (1) For a financial asset, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (2) For a lease receivable, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (3) For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- (4) For credit-impaired financial assets other than the purchased or internally generated of credit-impaired financial assets at the balance sheet date, credit loss is the difference between the gross carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.3 Measurement and recognition of ECL (Continued)

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

10.2.4 Reduction in financial assets

The Group directly reduces the gross carrying amount of financial assets when ceasing to reasonably expect that the contractual cash flow of such financial assets may be fully or partially recoverable. Such reduction comprises derecognition of relevant financial assets.

10.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; or (3) although the financial asset has been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group has not retained control of the financial asset.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.3 Transfer of financial assets (Continued)

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- (1) For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- (2) For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the date of derecognition and the consideration received from the transfer; and (2) the accumulated changes in fair value initially recorded in other comprehensive income is recognised in profit or loss. While regarding non-trading equity instruments designated as at fair value through other comprehensive income, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.3 Transfer of financial assets (Continued)

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts at the date of transfer. The difference between (1) the consideration received from the transfer; and (2) the cumulative changes in fair value previously recognised in other comprehensive income allocated to the part derecognised plus the carrying amount allocated to the part derecognised is recognised in profit or loss. If the Group transfers a financial asset that belongs to non-trading equity instrument investments designated as at FVTOCI, the cumulative gains or losses previously recognised in other comprehensive income allocated to the part derecognised are transferred and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and recognises the consideration received as a liability.

10.4 Classification and measurement of financial liabilities

The Group's financial instruments or their components are, on initial recognition, classified into financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms and in combination with definitions of financial liability and equity instruments, instead of only on the basis of the legal form.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

10.4.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated as at fair value through profit or loss.

Held-for-trading financial liabilities are subsequently measured at fair value, any gains or losses arising from changes in fair value and any dividend or interest income earned on the financial liabilities are recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.4 Classification and measurement of financial liabilities (Continued)

10.4.2 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, gains or losses arising from derecognition, or amortisation are recognised in profit or loss for the period.

10.4.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognised less cumulative amortisation amount during the guarantee period.

10.5 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Changes of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, dividends paid do not affect total amount of shareholders' equity.

10.7 Derivatives and embedded derivatives

Derivative financial instruments related to the Group include option contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The changes in fair value are recognised in profit or loss.

For hybrid contract constituted by embedded derivatives and host contract, if the host contract is a financial asset, the embedded derivative is not separated from the hybrid contract, and the hybrid contract shall be taken as a whole to apply to the accounting standards for the classification of financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.7 Derivatives and embedded derivatives (Continued)

If the host contract included in the hybrid contract is not a financial asset and meets all of the following criteria, the embedded derivative shall be separated from the hybrid contract by the Group and treated as a standalone derivative.

- (1) The economic characteristics and risks of the embedded derivative are not highly related to the economic characteristics and risks of the host contract;
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (3) The hybrid instrument is not designated as a financial asset or financial liability at fair value through profit or loss.

If the embedded derivative is separated from the hybrid contract, the host contract shall be accounted for in accordance with the appropriate standards. If the Group is unable to measure reliably the fair value of an embedded derivative on the basis of its terms and conditions, the fair value of the embedded derivative is the difference between the fair value of the hybrid contract and the fair value of the host. If the Group is still unable to measure the fair value of the embedded derivative separately either at acquisition or at a subsequent reporting date after the above methods are applied, it designates the entire hybrid contract as a financial instrument at fair value through profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.8 Convertible bonds

Convertible bonds issued by the Group that contain liability and conversion option are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is accounted for as equity rather than conversion option derivatives.

Convertible bonds are initially recognised at fair value at the issue date. If the convertible bonds include equity instruments, the fair value of liability component of the convertible bonds is determined based on the market value of similar bonds which have no conversion option. The balance of issue price and the fair value of liability is the value of conversion option and is recognised in shareholders' equity. The liability and conversional-embedded derivatives of the convertible bonds which include conversional embedded derivatives are initially recognised at fair value at the issue date.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss. The conversion option classified as equity remains in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of the convertible bonds are allocated to the liability, equity and derivative financial instruments components in proportion to their respective fair values. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the derivative financial instruments are charged to profit or loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.9 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset, and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

11. Inventories

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties held for sale. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, expenditures of land development, construction costs, infrastructure costs, costs of supporting facilities and other relevant costs.

Inventories are initially measured at actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined using the first-in first-out, weighted average or specific identification method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised using immediate write-off, and other turnover materials are amortised based on the number of times that they are estimated to be used.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realisable value. If the cost is in excess of net realisable value, provision for inventories is recognised in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the profit or loss for the current period.

Net realisable value is the estimated selling price under normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Held-for-sale assets

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognised before being classified to held-for-sale category is not reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments

13.1 Basis for determining joint control and significant influence

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

13.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree on the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred, and liabilities assumed adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition on the date of combination. For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not under common control, this should be dealt with for whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as one transaction to acquire control. If it does not belong to 'package deal', the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for other investments in equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.2 Determination of initial investment cost (Continued)

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fee, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with *Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement* (ASBE No. 22) and the additional investment cost.

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.3 Subsequent measurement and recognition of profit or loss (Continued)

13.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence, and a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or other comprehensive income respectively for the period. Meanwhile, the carrying amount of long-term equity investments will be adjusted accordingly; for the share of the investee's profit or cash dividends declared by the investee, the carrying amount of long-term equity should be decreased accordingly; for changes in owner's equity rather than the investee's net profit or loss, other comprehensive income and profit distribution, carrying amount of long-term equity investments should be adjusted and included in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investee adopts different accounting policies and accounting period with the Company's, the financial statements are adjusted in accordance with the Company's accounting policies and accounting period, and then investment income and other comprehensive income are recognised. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures and contributions or sales of assets that do not constitute business are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised profit or loss resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.3 Subsequent measurement and recognition of profit or loss (Continued)

13.3.2 Long-term equity investment accounted for using the equity method (Continued)

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

13.4 Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the consideration shall be recorded through profit or loss in the current period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee, recognised in profit or loss of current period and carried forward proportionately; other shareholders' equity recognised from changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, is accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately; changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution are recognised in profit or loss for the current period and carried forward proportionately.

The Group loses control on investee due to disposal of part of shares, when preparing separate financial statement, remaining shares after disposal which can make joint control or significant influence on investee, are accounted under equity method, and are adjusted as they are accounted under equity method from acquisition date; if remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instrument, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Investment properties

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out; land use rights held for transfer upon capital appreciation; and buildings that are leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment real estate is disposed of or permanently retired from use and no economic benefits are expected from its disposal, the investment real estate shall be derecognised.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets

A fixed asset is a tangible asset of which useful life exceeds one accounting year and which is held for production of goods, rendering services, offering leases or operation and management. A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditure shall be recognised in profit or loss for the period in which it is incurred.

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, the cost of the fixed asset shall be determined based on the present value of the instalment payments. The difference between the actual payment and the present value of the purchase price is recognised in profit or loss over the credit period, except for such difference that is capitalised according to *Accounting Standard for Business Enterprises No. 17 – Borrowing Costs* (ASBE No. 17).

The accelerated depreciation method is adopted for depreciation of the fixed assets specifically used for research and development. The units of production method is adopted for the depreciation of part of the large-scaled construction equipment. For other fixed assets, the straight-line method is adopted.

For fixed assets depreciated with the straight-line method, the estimated useful lives, estimated residual values rates and annual depreciation rates by category are as follows:

Category	Estimated residual value rates	Useful lives	Annual depreciation rates
Buildings	5%	20-35 years	2.71%-4.75%
Machinery	5%	10-25 years	3.80%-9.50%
Vehicles	5%	5-10 years	9.50%-19.00%
Production equipment	5%	5-10 years	9.50%-19.00%
Measuring and testing equipment	5%	5 years	19.00%
Others	5%	3-5 years	19.00%-31.67%

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

Where the individual component parts of a fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at the end of each year, makes adjustments and accounts for any change as a change in an accounting estimate when necessary.

16. Construction in progress

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowings before the asset is ready for its intended use, and other related expenditures during the period of construction.

The timing and criteria of construction in progress to be ready for its intended use are as follows:

Buildings	completion and acceptance
Machinery and equipment	completion of installation and acceptance

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Borrowing costs

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the construction or production of qualifying assets are capitalised and other borrowing costs are recognised as expenses. A qualifying asset is defined as a fixed asset or inventory that necessarily takes a substantially long period of time to get ready for its intended use or sale.

Capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have incurred;
- (2) borrowing costs have incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised as expenses in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalisation are the actual borrowing costs incurred during the current period deducted by any temporary interest or investment income; and
- (2) for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the capital expenditure that accumulated capital expenditures exceed the specific borrowings.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Borrowing costs (Continued)

Capitalisation of borrowing costs is suspended during extended periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than three months, until the acquisition or construction is resumed. Borrowing costs incurred during the suspension period are recognised as expenses until the acquisition or construction of a fixed asset is resumed.

18. Intangible assets

The Group's intangible assets include land use rights, concession rights, software licenses, mining rights and others.

An intangible asset shall be recognised only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination involving entities not under common control with a fair value that can be measured reliably are recognised separately as intangible assets and measured initially at fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the traffic volume basis, straight-line basis or unit of production basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each year end.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.1 Land use rights

Land use rights represent costs incurred for a certain lease period of land.

The Group accounts for its land use rights as intangible assets. The land use rights of self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortised on the straight-line basis according to the useful lives approved in the obtained land use certificates.

18.2 Concession rights

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and other construction works) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority, or the Group purchases the concession rights directly. The assets under the concession arrangements are accounted for according to their arrangement nature, and details are set out in Note III.34.

The amortisation approach, either the traffic volume method or the straight-line method, should be selected for concession operation projects based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations.

18.3 Software licenses

The software licenses are recorded at the price actually paid upon acquisition and are amortised equally over the estimated useful life of one to ten years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.4 Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortisation is calculated in adoption of the unit of production method based on proved mining reserves.

18.5 Development expenditure

Collection scope of R&D expenditure includes wages, salaries and benefits of personnel directly engaged in R&D activities; expenses of materials, fuel and power directly consumed by R&D activities; depreciation expenses of instruments and equipment of R&D activities; leasing and maintenance expenses of R&D sites; travel, transportation and communication fee required by research and test development; as well as the entrusted development expenditure, etc.

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

19. Long-term prepayments

Long-term prepayments represent expenditures incurred which should be recognised as expenses over one year and should be allocated in current and subsequent periods, including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortised on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognised in profit or loss immediately as incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Provisions

Except for contingent liabilities assumed in business combinations involving entities not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

21. Revenue

The revenue of the Group is mainly generated from business types as follows:

- The construction operations, which mainly comprises the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- The planning, design and consultancy operations, which mainly comprises the provision of planning, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- The manufacturing operations, which mainly comprises the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- The real estate development operations, which mainly comprises the development, construction and sale of residential properties and commercial properties;
- The other business operations, which mainly comprises trade and logistics, finance and insurance brokerage and highway operation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

When (or as) a performance obligation in a contract is satisfied, i.e., when (or as) the customer obtains control of relevant goods or services, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

A performance obligation is the Group's promise to transfer to a customer a good or service (or a bundle of goods or services) that is distinct, in a contract with the customer.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. When the Group is not able to reasonably measure its performance progress, the Group recognises revenue only to the extent of the recoverable amount of costs incurred until such time that it can reasonably measure the performance progress.

For planning, design and consultancy operations, manufacturing operations, real estate development operations and other business operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts that the Group expects to refund to the customer.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

Significant financing component

For contracts that contain significant financing components, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when the control of goods or services is transferred to the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and shall recognise the reduction of revenue when (or as) the later of either of the following events occurs: (1) the Group recognises revenue for the transfer of the related goods or services to the customer; and (2) the Group pays or promises to pay the consideration.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to each performance obligation on a basis of relative stand-alone selling price, at which an entity would sell a promised good or service separately to a customer. When an entity has observable evidence that the contract discount or the variable consideration relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate the contract discount or the variable consideration to one or more, but not all, performance obligations in the contract.

The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Sales with warranties

For sales with warranties, if the warranties are separate services to the customer other than serving as an assurance that the products sold comply with agreed-upon specifications, the warranties constitute single performance obligations. Otherwise, the Group accounts for warranties in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies* (ASBE No. 13).

Principal versus agent

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party or is determined by some established amounts or proportions.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs as an asset if it expects to recover these costs. The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year. Other costs of obtaining a contract are recognised in profit or loss when they occur, unless they are going to be reimbursed by customers. The asset is presented as other current assets or other non-current assets according to whether the amortisation period exceeds one normal operating period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than ASBE No. 14, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset is presented as inventories or other non-current assets according to whether the amortisation period exceeds one normal operating period.

The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised as expenses in relevant periods.

When determining the impairment loss of assets related to the contract cost, in the first place, the impairment loss of other assets related to the contract and recognised in accordance with other relevant business accounting standards should be determined; Then, the Group shall recognise an impairment loss to the extent that the carrying amount of the asset mentioned above exceeds the difference between the following items: (1) the remaining amount of consideration that the Group expects to receive in transfer for the goods or services to which the asset relates; (2) the estimated costs that relate to transferring those goods or services and that have not been recognised as expenses.

The Group shall, after the impairment has been provided, recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Contract assets

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract assets are specified in Note III. 10.2. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

22. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attached and the Group would receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value of the asset. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

22.1 Judgment basis and accounting treatments for government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets.

Government grants related to assets are charged against carrying amount in related assets when related assets become ready for their intended use.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Government grants (Continued)

22.2 Judgment basis and accounting treatments for government grants related to income

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

For repayment of a government grant already recognised, if government grants were charged against carrying amount of the related assets at initial recognition, the repayment adjusts the carrying amount of assets. If there is related deferred income, the repayment is offset against the gross carrying amount of the deferred income, and any excess is recognised in profit or loss for the period. If there is no related deferred income, the repayment is recognised immediately in profit or loss for the period.

22.3 Relocation compensation received due to public interests

The Group receives relocation compensation directly from the government for the benefit of public interests such as urban overall planning, reservoir construction, and renovation of shanty towns and subsidence area control. The relocation compensation is paid out of financial budgets by the government and is recognised as special payable when received. Therein compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income and recognised as government grants relating to assets and government grants related to income accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Income tax

Income tax expenses comprise current and deferred tax. Current tax expenses and deferred tax expenses are recognised as income or expenses in profit or loss for the current period, except for the deferred tax as an adjustment of goodwill arising from a business combination, or the current tax expenses and the deferred tax expenses to be recognised directly in other comprehensive income or shareholders' equity, which arise from transactions or events that should be recognised directly in other comprehensive income or shareholders' equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

Based on the temporary differences between the carrying amount of an asset or liability on the balance sheet date and its tax base, and the differences between the carrying amount of some items that have a tax base but are not recognised as assets and liabilities and their tax base, the Group adopts the liability method for the provision for deferred tax.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, it affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Income tax (Continued)

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of deductible tax losses and tax credits can be utilised, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination, at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identical asset for a period of time in exchange for consideration.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at inception. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

24.1 As a lessee

Separating components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises a right-of-use asset at the commencement date of the lease. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset shall include:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the Group; and
- (4) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease terms are depreciated from commencement date to the end of their useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets* (ASBE No.8).

Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of a lease, the Group recognises the lease liability at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determined.

The lease payments are payments to the lessor for the right to use the underlying asset during the lease term made by the Group:

- (1) fixed payments, including in-substance fixed payments, less any lease incentives receivable, if applicable;
- (2) the exercise price of a purchase option reasonably certain to be exercised by the Group;
- (3) payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, the Group recognises interest expenses in each accounting periods during the lease, based on a constant periodic rate of interest on the remaining balance of the lease liabilities. The interest expenses are recognised into profit or loss for the current period or the cost of the related assets.

After the commencement date, if the lease term or the assessment of purchase option changes, the Group shall remeasure the lease liability, according to modified lease payments and present value with modified discount rates and make corresponding adjustments to the related right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group shall recognise any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and vehicles and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset is a lease that the single underlying asset, when is new, is of low value. The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and re-measures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

24.2 As a lessor

Separating components of a contract

For a contract that contains lease components and non-lease components, the Group applies ASBE No. 14 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Classification of leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.2 As a lessor (Continued)

Recognition and measurement as a lessor of an operating lease

The Group recognises lease receivables from operating leases as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

For the contingent receivables not included in the operating lease receivables, the Group recognises into profit or loss when received.

24.3 Sale and leaseback transactions

As a seller-lessee

The Group applies the requirements of ASBE No. 14 to assess whether the sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For the sales and leaseback transaction that does not constitute a sale, the Group continues to recognise the transferred asset, and recognises a financial liability which equals to the transfer proceeds and accounts for the financial liability applying ASBE No. 22. If the sales and leaseback transaction constitute a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Impairment of long-term assets

The Group determines the impairment of assets, other than the impairment of inventories, deferred tax assets, financial assets, contract assets and assets related to the costs incurred in fulfilling a contract, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset. Goodwill arising from a business combination and an intangible asset with an indefinite useful life is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset or an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is recognised as a provision for impairment loss and profit or loss for the current period.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

In impairment testing for goodwill, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognised any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent periods.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouses, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

26.1 Short-term benefits

In the period of employee services, short-term benefits are actually recognised as liabilities and charged to profit or loss or the related costs of assets for the current period.

26.2 Post-employment benefits (defined contribution plans)

If employees of the Group participate in the basic pension insurance and unemployment insurance plans managed by local governments and participate in the supplementary pension insurance of the Group as well, the relevant expenditures are recorded in the relevant capital costs and expenses in the period when incurred.

26.3 Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured using the projected cumulative unit credit method.

Any re-measurement caused by the defined benefit plans, including actuarial gains or losses, is recognised in the statement of financial position immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be reversed to profit or loss in the subsequent accounting periods.

The past service costs should be recognised as current expenses at the earlier of the following dates: (1) when the Group modifies the defined benefit plans; and (2) when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognised changes in the net defined benefit obligation as general and administrative expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits (Continued)

26.4 Termination benefits

The Group recognises a liability and expenses for termination benefits at the earlier of the following dates: (1) when the Group can no longer unilaterally withdraw the offer of those benefits for proposals or suggestions for termination of employment; and (2) when the Group recognises costs or expenses for restructuring and involves the payment of termination costs or expenses.

26.5 Housing funds

All full-time employees of the Group in Mainland China are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees.

26.6 Bonus entitlements

The estimated cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are estimated to be settled within 12 months and are measured at the amounts estimated to be paid when they are settled.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring

27.1 Recording of debt restructuring obligation as the debtor

When a debt is settled by an asset in a debt restructuring, the Group derecognises the relevant asset and the debt settled when the derecognition criteria for the asset and the debt are satisfied. The difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognised in profit or loss for the current period.

When a debt is converted into an equity instrument in a debt restructuring, the Group derecognises the debt settled when the derecognition criteria for the debt are satisfied. On initial recognition, the equity instrument are recognised at fair value. When the fair value of the equity instrument cannot be measured reliably, the equity instruments are recognised at the fair value of the debt. The difference between the carrying amount of the debt and the carrying amount of the equity instrument is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the debt restructured in accordance with ASBE No. 22 and *Accounting Standard for Business Enterprises No.37- Presentation of Financial Instruments* (ASBE No. 37).

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group recognises and measures the equity instrument and the debt restructured in accordance with the policies regarding debts settled by assets and debts converted into equity instruments, as mentioned above. The difference between the carrying amount of the debt and the sum of the carrying amount of the assets transferred, the carrying amount of the equity instrument recognised and the carrying amount of the debt restructured, is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring (Continued)

27.2 Recording of debt restructuring obligation as the creditor

When a debt is settled by assets in a debt restructuring, on initial recognition of the assets other than financial assets, the assets are recognised at cost.

- (1) The cost of inventories includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, insurance and other costs, for bringing the assets to the current position and condition;
- (2) The cost of fixed assets includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, installation costs, professional service costs and other costs, for bringing the assets to working condition for intended use.

The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When the debt restructuring causes the Group to convert the debt receivable to an equity investment of joint ventures or associates, the creditor shall measure the equity investment based on the sum of the fair value of debt receivable, and any directly attributable taxes and other costs of the investment. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the restructured debt receivable in accordance with ASBE No. 22.

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group first recognises and measures the financial assets received and restructured debt receivable in accordance with ASBE No. 22, and then allocates the net value, which is the fair value of the debt receivable deducted by the recognised total carrying amount of financial assets received and restructured debt receivable, to the costs of non-financial assets received based on their relative fair value. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Non-monetary Transactions

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the non-monetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the non-monetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

When several assets are received at the same time in an non-monetary transaction, if the transaction is measured at fair value, the cost of each asset other than financial assets received is determined by apportioning the net amount, which is the total fair value of all assets given up deducted by the fair value of the financial assets received, based on the proportion of the fair value of each asset received, and plus related taxes payable, at initial recognition; When there is clear evidence indicating that the fair value of the received assets is more reliable, the fair value of each asset received and related taxes payable are recognised as cost of each asset received at initial recognition; If the transaction is measured at carrying amounts, the cost of each asset received is determined by apportioning the total carrying amounts of all assets given up based on the proportion of the fair value of each asset received to the total fair value of all assets received.

When several assets are given up at the same time in an non-monetary transaction, if the transaction is measured at fair value, at each asset's derecognition, the difference between each asset's fair value and carrying amount is recognised in profit or loss for the current period; When there is clear evidence indicating that the fair value of the received assets is more reliable, the profit or loss, recognised for the current period, of derecognition of each asset given up is the net amount, which is the apportioning of the total fair value of the assets received, based on the proportion of the fair value of each asset given up to the total fair value of all assets given up, deducted by the carry amount of each asset given up; if the transaction is measured by carrying amounts, no profit or loss of derecognition of assets given up, is recognised.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Profit distribution

The cash dividend of the Company is recognised as a liability upon approval in the annual shareholders' meeting.

30. Renewable corporate bonds and other financial instruments

The renewable corporate bonds and other financial instruments issued by the Group shall be classified as equity instruments if no contractual obligations of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavourable.

For renewable corporate bonds and other financial instruments classified as equity instruments, distribution of interests and dividends are recognised into distribution of equity. Its repurchase and cancellation are recognised as changes of equity and transaction costs related to equity transactions are deducted from equity.

31. Production safety expenses

The Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2022] No.136) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the Ministry of Emergency Management. Before 21 November 2022, the Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2012] No.16) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the State Administration of Work Safety.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and other comprehensive income and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that they can access at the measurement date;

Level 2: Inputs are inputs, other than quoted process included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

33. Asset securitisation

The Group has securitised a portion of receivables ("underlying assets") where underlying assets are sold and transferred to a special purpose entity ("SPE"). The SPE issues senior and subordinate assets-backed securities to investors, while the Group holds some portion of subordinate assets-backed securities which are not transferrable until the principal and interests of the senior assets-backed securities have been repaid. The Group acts as an asset service provider to provide services such as asset management and collection, contract revision and other services. The cash received from the underlying assets during the periods of collection, after paying SPE taxation and relevant fees, will be firstly used to repay the principal and interests of the senior assets-backed securities; the remaining cash after paying the principal and interests in full is treated as income from subordinate assets-backed securities. The Group shares relevant income based on its proportion of subordinate assets-backed securities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Asset securitisation (Continued)

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

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

The Group securitised a portion of the retention receivables by selling and transferring the retention receivables to a special-purpose entity. The above accounting policy for securitised financial assets is applied by reference to the condition that the performance obligations relating to the construction of the project have been completed and the contractor has undertaken to complete the performance obligations relating to the liability for defects.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Public – Private – Partnership (“PPP”) project contract

The PPP project contract represents the contract entered into between the private party and the government in respect of the Public-Private-Partnership project (hereinafter referred to as the “PPP project”) in accordance with the laws and regulations. The PPP project contract shall meet the following two characteristics (hereinafter referred to as the “Dual characteristics”): (1) the private party shall utilise the PPP project assets so as to provide public goods and services on behalf of the government during the operation period stipulated in the contract; (2) the private party shall be compensated for the public goods and services it provides during the period stipulated in the contract. The PPP project contract shall also meet the following two conditions (hereinafter referred to as the “Dual controls”): (1) the government shall have control over the type, object and price of the public goods and services that must be provided by the private party through the utilisation of the PPP project assets; (2) the government shall control the significant residual interest in the PPP project assets through ownership, right to income or other forms of rights upon termination of the PPP project contract.

The Group, as the private party, has entered into PPP project contracts with the government. According to such contracts, the Group shall provide construction services (including construction, renovation and expansion, similarly hereinafter), contract out the construction to other parties or perform other obligations. And the Group shall account for such contracts and recognise contract assets based on the determination that whether it is an agent or a principal in accordance with ASBE No. 14 – Revenue.

If the Group provides multiple services (for example, provide both construction services for PPP project assets and the operation and maintenance services upon the completion of the construction) in accordance with the contract, it shall identify the single performance obligation included in the contract and allocate the transaction price to each performance obligation in accordance with the proportion of the stand-alone selling price of each performance obligation in accordance with the provisions of ASBE No. 14 – Revenue.

During the operation period of the project, if the Group has the right to receive fees from the party which obtains the public goods and services in accordance with the PPP project contract, but the amount of the fees cannot be determined, the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project will be recognised as an intangible asset and presented as concessions under the line of intangible assets in the balance sheet when the PPP project assets are ready for intended use.

During the operation of the project, if the Group has the right to receive a determinable amount of cash (or other financial assets), the Group can recognise the amount as a receivable when it has the right to receive such cash (such right only depends on the passage of time) in accordance with the PPP project contract. The Group recognises the difference between the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project and the determinable amount of cash (or other financial assets) that the Group has the right to receive as an intangible asset when the PPP project assets are ready for intended use.

For the portion of the Group's consideration or construction revenue recognised for relevant PPP project assets that has been included in intangible assets and the contract assets recognised during the construction period, they are presented in the concessions under the line item of intangible assets; for other contract assets recognised during construction period, they are presented under the line item of contract assets or other non-current assets, depending on whether they are expected to be realised within one year since the balance sheet date.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at each balance sheet date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

At the balance sheet date, accounting estimates that probably lead to significant future adjustments on the carrying amount of assets and liabilities are as follows:

Revenue from construction operations

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method. The Group's management makes reasonable estimates on the expected total contract revenue and total contract costs based on the budgets prepared for construction operations to determine the performance progress and identify onerous contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Due to the nature of activities associated with construction, the Group has to continuously review and revise budget prepared for each construction operation throughout the contract period. Revision may have effect on revenue, profit and other items related to construction operations during the period when the revision incurred.

Impairment of trade receivables and contract assets

For trade receivables and contract assets scoped in ASBE No. 14, the Group measures loss allowances for trade receivables and contract assets based on lifetime ECL. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually, based on the evidence of credit-impairment and forward-looking information. Except for trade receivables and contract assets which are individually significant and credit-impaired, the Group's management classifies the trade receivables and contract assets into different portfolios based on credit risk characteristics and uses provision matrix to assess expected credit losses. The provision rates are based on the Group's historical actual loss rates, taking into consideration forward-looking information. The impairment of trade receivables and contract assets involves management's accounting estimations and judgements. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of trade receivables and contract assets during the period when the reassessment incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Impairment of other financial assets

For financial assets which are not scoped in ASBE No. 14, the Group assesses changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date and calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime. The calculation of ECL involves management's judgment on whether significant increase in credit risk and management's estimation on future contractual cash flows. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of financial assets during the period which the reassessment incurred.

Impairment of properties under development and completed properties held for sale

The Group has to evaluate the net realisable values for properties under development and completed properties held for sale at each balance sheet date. When the net realisable values are lower than the carrying amounts, a provision is made by the Group.

The principal assumptions for the Group's estimation of the net realisable values of the properties under development include those related to prevailing market prices for similar properties in the same location and condition, estimated costs to be incurred to completion of the properties and discount rates.

The Group estimates the net realisable value for completed properties held for sale based on the selling price, sales projections, sales expenses to be incurred and relevant tax expenses, with reference to the current market prices and actual sale progress.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Impairment of long-term equity investments

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss.

The recoverable amount of long-term equity investment is based on the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from long-term equity investment. The present value of the estimated future cash flow is based on the investee's present value of the future cash flow, that is, the amount of the estimated future cash flow generated by the investee in the process of continuous operation and discounted at the appropriate discount rate.

Impairment of concession rights

The Group assesses at the balance sheet date whether there is any indication that the concession rights may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss on assets.

The recoverable amount of the franchise rights is the higher of its fair value less costs of disposal and the present value of the estimated future cash flows. The present value of estimated future cash flows is determined based on the present value of estimated future cash flows during the period of the concession rights, i.e. based on the estimated future cash flows generated by the concession rights in the continuous use and discounted to the present value by selecting the appropriate discount rates. The estimated future cash flows are estimated based on the expected revenue of services rendered under concession arrangements and other income from the concession rights, net of necessary maintenance expenses and cost of sales.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the probable obligations have been made based on management's best estimates and judgments.

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and residual values of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of fixed assets are less than previous estimation. Useful lives and residual values are reviewed, at each balance sheet date, based on changes in circumstances.

Amortisation of concession rights of highways

If the assets under the concession arrangement acquired by the Group's participating in the construction of the highway is applicable to intangible asset model, the concession rights is amortised at the early stage of operation period based on expected realisation approach of associated economic benefits using traffic volume method or straight-line method. In the case of traffic volume method amortisation (namely, calculating the total annual amortisation amount based on the percentage of actual traffic volume in the current period in the estimated total traffic volumes), amortisation calculation is initiated since the operation of the relevant turnpike highways.

The Group's management made judgments on the proportion of actual traffic volume in the total estimated traffic volume. Where the difference between the actual amount and the estimation is substantial, the management will re-estimate the total estimated traffic volume based on the actual traffic volume and adjust the amortisation of annual provisions for standard traffic volumes in subsequent years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Income tax and deferred tax assets

The Company and its subsidiaries are subject to income taxes in numerous jurisdictions in domestic provinces and certain overseas countries. In order to reliably estimate and judge, the income tax provision is required to be determined based on existing tax laws, regulations and practices, if the relevant affairs of income tax have not yet been confirmed by relevant tax authorities. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current period income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. In cases where the actual future profits generated are different from the estimation, such difference will influence on or change the deferred tax assets and income tax recognised in the relevant period.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future expected cash flows from the asset groups or set of asset groups to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups or set of asset groups and also choose a suitable discount rate in order to calculate the present value of those cash flows.

36. Significant changes in accounting policies

The *Accounting Standards for Business Enterprises Interpretation No. 16* (the “*Interpretation No. 16*”) was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to multiple assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the scope of deferred income tax initial recognition exemption in the *Accounting Standards for Business Enterprises Interpretation No. 18 – Income Tax*, and specified that the temporary difference arising from the initial recognition (other than in a business combination) of assets and liabilities in a single transaction that affect neither taxable profit nor accounting profit (or deductible tax losses) and at the time of the transaction giving rise to equal taxable and deductible temporary differences were not applied for the deferred income tax initial recognition exemption in *Accounting Standards for Business Enterprises Interpretation No. 18 – Income Tax*.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Significant changes in accounting policies (Continued)

The Group has applied the interpretation retrospectively since 1 January 2023 to the individual transaction occurred between the beginning of the earliest comparative period presented and 1 January 2023, and financial statements of comparative periods have been restated.

The details of the impacts of the implementation of Interpretation No. 16 on consolidated statement of financial position and consolidated statement of profit or loss are as follows:

RMB'000

Item	31 December 2021	Impact of Interpretation No. 16	31 December 2021 (restated)
Current assets:			
Total current assets	908,399,727	–	908,399,727
Non-current assets:			
Deferred tax assets	8,075,138	(61,640)	8,013,498
Total non-current assets	444,570,279	(61,640)	444,508,639
Total assets	1,352,970,006	(61,640)	1,352,908,366
Current liabilities:			
Total current liabilities	832,081,325	–	832,081,325
Non-current liabilities:			
Deferred tax liabilities	1,507,553	75,683	1,583,236
Total non-current liabilities	174,395,685	75,683	174,471,368
Total liabilities	1,006,477,010	75,683	1,006,552,693
Shareholders' equity:			
Retained earnings	141,556,080	(124,646)	141,431,434
Total equity attributable to owners of the Company	268,789,292	(124,646)	268,664,646
Non-controlling interests	77,703,704	(12,677)	77,691,027
Total shareholders' equity	346,492,996	(137,323)	346,355,673
Total liabilities and shareholders' equity	1,352,970,006	(61,640)	1,352,908,366

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Significant changes in accounting policies (Continued)

RMB'000

Item	31 December 2022	Impact of Interpretation No. 16	31 December 2022 (restated)
Current assets:			
Total current assets	1,010,052,178	–	1,010,052,178
Non-current assets:			
Deferred tax assets	9,140,494	(37,471)	9,103,023
Total non-current assets	513,898,874	(37,471)	513,861,403
Total assets	1,523,951,052	(37,471)	1,523,913,581
Current liabilities:			
Total current liabilities	934,637,547	–	934,637,547
Non-current liabilities:			
Deferred tax liabilities	1,566,493	58,340	1,624,833
Total non-current liabilities	203,297,642	58,340	203,355,982
Total liabilities	1,137,935,189	58,340	1,137,993,529
Shareholders' equity:			
Retained earnings	162,067,076	(85,944)	161,981,132
Total equity attributable to owners of the Company	290,483,983	(85,944)	290,398,039
Non-controlling interests	95,531,880	(9,867)	95,522,013
Total shareholders' equity	386,015,863	(95,811)	385,920,052
Total liabilities and shareholders' equity	1,523,951,052	(37,471)	1,523,913,581

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Significant changes in accounting policies (Continued)

RMB'000

Item	For the year ended 31 December 2022	Impact of Interpretation No. 16	For the year ended 31 December 2022 (restated)
Profit before tax	37,824,462	–	37,824,462
Less: Income tax expenses	6,071,684	(41,512)	6,030,172
Net profit	31,752,778	41,512	31,794,290
Classified by the continuity of operation:			
Net profit from continuing operations	31,752,778	41,512	31,794,290
Net profit from discontinued operations	–	–	–
Classified by the ownership:			
Net profit attributable to owners of the Company	26,642,094	38,702	26,680,796
Net profit attributable to non- controlling interests	5,110,684	2,810	5,113,494
Total comprehensive income	32,186,243	41,512	32,227,755
Including:			
Total comprehensive income attributable to owners of the Company	27,054,235	38,702	27,092,937
Total comprehensive income attributable to non-controlling interests	5,132,008	2,810	5,134,818

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION

1. Major categories of taxes and respective tax rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	Sales revenue and construction installation income in accordance with relevant tax law	3%, 6%, 9%, 13%
Enterprise income tax ("EIT")	Taxable income	All enterprises are subject to EIT at 25% except for some domestic subsidiaries qualified for tax preferential (Note IV. 2) and overseas subsidiaries that are subject to EIT in accordance with the local tax laws applicable to the jurisdiction where the company was registered.
City maintenance and construction tax ("CCT")	Based on the actual VAT and circulation tax payment	1%, 5%, 7%
Educational surcharge	Based on the actual VAT and circulation tax payment	3%
Local educational surcharge	Based on the actual VAT and circulation tax payment	2%
Land appreciation tax ("LAT")	Calculate LAT based on the appreciation amount arising from the transfer of properties and the extra progressive tax rate	Extra progressive tax rate: 30%, 40%, 50%, 60%

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential

Super deduction of research and development (R&D) expenses

Pursuant to Chapter IV, Item 1 of Article 30 of the Law of the PRC on Enterprise Income Tax Law (the “New EIT Law”), the Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119) and the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policies Regarding Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2023] No. 7), with respect to research and development (R&D) expenses of the Company and its subsidiaries that complies with the above provisions, an extra 100% of the actual amount of expenses is deductible before tax.

Tax preferential for the Western Region Development

Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for Western Development Strategies (Cai Shui [2020] No. 23), the tax preference for the Western Region Development are valid until 2030. According to the Circular, “from 1 January 2021 to 31 December 2030, enterprise income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises whose principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region, the income of which accounts for more than 60% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region has been issued by National Development and Reform Commission. If the catalogue is modified during the period of the announcement, the modified version shall apply since the date of implementation.”

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Tax preferential for the Western Region Development (Continued)

At present, the Catalogue of Encouraged Industries in the Western Region has been approved by the State Council and has been implemented since 1 October 2014. Certain subsidiaries of the Company, including China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司), China Railway 11th Bureau Group Tibet Engineering Co., Ltd. (中鐵十一局集團西藏工程有限公司), China Railway 11th Bureau Group Xi'an Construction Co., Ltd. (中鐵十一局集團西安建設有限公司), China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司), China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司), China Railway 12th Bureau Group (Tibet) Engineering Co., Ltd. (中鐵十二局集團(西藏)工程有限公司), China Railway 12th Bureau Group Hanzhong Xudong Engineering Co., Ltd. (中鐵十二局集團漢中旭東工程有限公司), China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司), China Railway Construction Chongqing Construction Technology Co., Ltd. (中鐵建重慶建築科技有限公司), China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司), China Railway 15th Bureau Group Tibet Engineering Co., Ltd. (中鐵十五局集團西藏工程有限公司), China Railway 16th Bureau Group Tibet Engineering Co., Ltd. (中鐵十六局集團西藏工程有限公司), China Railway 17th Bureau Group 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司), China Railway 17th Bureau Group 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司), China Railway 17th Bureau Group Tibet Engineering Co., Ltd. (中鐵十七局集團西藏工程有限公司), China Railway 18th Bureau Group Tibet Engineering Co., Ltd. (中鐵十八局集團西藏工程有限公司), China Railway 18th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十八局集團隧道工程有限公司), China Railway 19th Bureau Group Tibet Engineering Co., Ltd. (中鐵十九局集團西藏工程有限公司), China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司), China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司), China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司), China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司), China Railway 20th Bureau Group Electrification Engineering Co., Ltd. (中鐵二十局集團電氣化工程有限公司), China Railway 20th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十局集團市政工程有限公司), China Railway Guizhou Engineering Co., Ltd. (中鐵貴州工程有限公司), Chongqing Qinyu Property Management Co., Ltd. (重慶秦渝物業管理有限公司), China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司), China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司), China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司), China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司), China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司), China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司), China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司), China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司), China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司), China Railway 23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司), China Railway 23rd Bureau Group Tibet Engineering Co., Ltd. (中鐵二十三局集團西藏工程有限公司), China Railway 23rd Bureau Group Rail Transit Sichuan Engineering Co., Ltd. (中鐵二十三局集團軌道交通四川工程有限公司), China Railway 25th Bureau Group (Ganzhou) Engineering Co., Ltd. (中鐵二十五局集團(贛州)工程有限公司), China Railway Construction Electrification Bureau Group Xi'an Electrical Product Co., Ltd. (中

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Tax preferential for the Western Region Development (Continued)

鐵建電氣化局集團西安電氣化製品有限公司), China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司), China Railway First Survey and Design Institute (Shaanxi) Engineering Construction Co., Ltd. (中鐵一院(陝西)工程建設有限公司), Xi'an Runtong Digital Technology Co., Ltd. (西安潤通數字科技有限公司), Lanzhou Railway Survey and Design Institute Co., Ltd. (蘭州鐵道設計院有限公司), China Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd Nanning Branch.(鐵四院(湖北)工程監理諮詢有限公司南寧分公司), China Railway Material Group Southwest Co., Ltd. (中鐵物資集團西南有限公司), China Railway Material Group Yunnan Co., Ltd. (中鐵物資集團雲南有限公司), CRCC High-Tech Equipment Co., Ltd. (中國鐵建高新裝備股份有限公司), China Railway Construction Heavy Industry Xinjiang Co., Ltd. (鐵建重工新疆有限公司), China Railway Longchang Materials Co., Ltd. (中鐵隆昌鐵路器材有限公司), China Railway Highway China Petroleum (Sichuan) Energy Co., Ltd. (鐵建高速中油(四川)能源有限公司), China Railway Construction Guizhou Anshun-Ziyun Highway Co., Ltd. (中鐵建貴州安紫高速公路有限公司), China Railway Chongqing Urban Rail Transit Engineering Co., Ltd. (中鐵建重慶軌道環線建設有限公司), CRCC Kunlun Investment Group Co., Ltd. (中國鐵建昆侖投資集團有限公司), China Railway Construction Kunlun Metro Investment Construction Management Co., Ltd. (中鐵建昆侖地鐵投資建設管理有限公司), China Railway Construction Yunnan Investment Co., Ltd. (中鐵建雲南投資有限公司), Chengdu CRCC Kunlun Rail Engineering Co., Ltd. (成都中鐵建昆侖軌道工程有限公司), Chengdu CRCC Chengzi Rail Transit Development Co., Ltd. (成都中鐵建成資軌道交通發展有限公司), Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司), Chongqing China Petroleum & Railway Construction Industrial Co., Ltd. (重慶中油鐵建實業有限公司), CRCC Chongqing Investment Group Co., Ltd. (中鐵建重慶投資集團有限公司), CRCC Chongqing Petrochemical Sales Co., Ltd. (中鐵建重慶石化銷售有限公司), Chongqing Jinlu Traffic Engineering Co., Ltd. (重慶金路交通工程有限責任公司), CRCC Ecological Environment Co., Ltd (中鐵建生態環境有限公司), China Railway Construction Northwest Investment & Construction Co., Ltd. (中鐵建西北投資建設有限公司) and China Railway Construction (Yinchuan) City Development Co., Ltd. (中鐵建(銀川)城市發展有限公司) met requirements and are applicable to preferential income tax rate of 15% for the Western Region Development in 2022 and 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Preferential Tax Policy for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui [2022] No. 19), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

- (1) The principal business of the enterprise meets the requirements of Preferential Enterprise Income Tax Catalogue for the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (2021), and its income accounts for more than 60% of the total income;
- (2) the actual management organisation of the enterprise is located in Guangdong-Macao In-Depth Cooperation Zone in Hengqin, and it conducts substantive and comprehensive management and control over the production and operation, personnel, accounting, property, etc. of the enterprise.

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司) and China Railway Construction Highway Operation Co., Ltd. (中鐵建公路運營有限公司), subsidiaries of the Company, are eligible for the preferential income tax policy of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and are subject to a preferential corporate income tax rate of 15% starting from 1 January 2022.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries

China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司): (1) China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司) and its subsidiary China Railway 11th Bureau Group 6th Engineering Co., Ltd. of (中鐵十一局集團第六工程有限公司) have been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway 11th Bureau Group 1st Engineering Co., Ltd. (中鐵十一局集團第一工程有限公司), China Railway 11th Bureau Group 2nd Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司), China Railway 11th Bureau Group 3rd Engineering Co., Ltd. (中鐵十一局集團第三工程有限公司), China Railway 11th Bureau Group 4th Engineering Co., Ltd. (中鐵十一局集團第四工程有限公司) and China Railway 11th Bureau Group City Rail Engineering Co., Ltd. (中鐵十一局集團城市軌道工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 11th Bureau Group Bridge Engineering Co., Ltd. (中鐵十一局集團橋樑有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiaries including China Railway 11th Bureau Electrical Engineering Co., Ltd. (中鐵十一局電務工程有限公司), China Railway 11th Bureau Hanjiang Heavy Industry Co., Ltd. (中鐵十一局集團漢江重工有限公司) and China Railway 11th Bureau Construction and Installation Engineering Co., Ltd. (中鐵十一局集團建築安裝工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 12th Bureau Group Co., Ltd. (中鐵十二局集團有限公司): (1) its subsidiaries China Railway 12th Bureau Group 2nd Engineering Co., Ltd. (中鐵十二局集團第二工程有限公司) and China Railway 12th Bureau Group 3rd Engineering Co., Ltd. (中鐵十二局集團第三工程有限公司) have been recognised as High-tech Enterprises by the Shanxi Science and Technology Department, Department of Finance of Shanxi, and Shanxi Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 12th Bureau Group 7th Engineering Co., Ltd. (中鐵十二局集團第七工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 1 January 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary Electrification Engineering Co., Ltd. of China Railway 12th Bureau Group (中鐵十二局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway 12th Bureau Construction and Installation Engineering Co., Ltd. (中鐵十二局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司): (1) China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) and its subsidiary China Railway Construction Bridge Engineering Bureau Group Construction Assembly Technology Co., Ltd. (中鐵建大橋工程局集團建築裝配科技有限公司) have been recognised as High-tech Enterprises by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Jinqiao Engineering Testing Co., Ltd. (中鐵津橋工程檢測有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Bureau, Jilin Province Bureau of Finance, and Jilin Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Modern Survey and Design Institute Co., Ltd. (中鐵現代勘察設計院有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Department, Department of Finance of Jilin Province, and Jilin Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway Bridge Engineering Group Electrification Engineering Co., Ltd. (中鐵建大橋工程局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 14th Bureau Group Co., Ltd. (中鐵十四局集團有限公司): (1) its subsidiaries including China Railway 14th Bureau Group 1st Engineering Development Co., Ltd. (中鐵十四局集團第一工程發展有限公司), China Railway 14th Bureau Group Electrification Engineering Co., Ltd. (中鐵十四局集團電氣化工程有限公司) and Tiezheng Testing Technology Co., Ltd. (鐵正檢測科技有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 14th Bureau Group 3rd Engineering Co., Ltd. (中鐵十四局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiaries including China Railway 14th Bureau Group 4th Engineering Co., Ltd. (中鐵十四局集團第四工程有限公司), Shandong Civil Air Defense Architectural Design Institute Co., Ltd. (山東省人民防空建築設計院有限責任公司), China Railway 14th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十四局集團隧道工程有限公司), China Railway 14th Bureau Group Construction Technology Co. Ltd (中鐵十四局集團建築科技有限公司), China Railway 14th Bureau Construction Engineering Co. Ltd. (中鐵十四局集團建築工程有限公司) and China Railway 14th Bureau Yellow River Construction Technology Co. Ltd. (中鐵十四局集團黃河建築科技有限公司) have been recognised as High-tech Enterprises by Shandong Provincial Science and Technology Department, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 14th Bureau Group Large Shield Engineering Co., Ltd. (中鐵十四局集團大盾構工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary CRCC North-China Construction Technology Co. Ltd. (中鐵建華北建築科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Construction Co., Ltd. (中鐵十四局集團青島工程建設有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary China Railway 14th Bureau Group Housing and Bridge Co., Ltd. (中鐵十四局集團房橋有限公司) has been recognised as a High-tech Enterprise by the Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (8) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Co., Ltd. (中鐵十四局集團青島工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 15th Bureau Group Co., Ltd. (中鐵十五局集團有限公司): (1) its subsidiary China Railway 15th Bureau Group 3rd Engineering Co., Ltd. (中鐵十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 15th Bureau Group 4th Engineering Co., Ltd. (中鐵十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by the Henan Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 15th Bureau Group 5th Engineering Co., Ltd. (中鐵十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway 15th Bureau Group Shanghai New Energy Development Co., Ltd. (中鐵十五局集團上海新能源發展有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司): (1) China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司) and its subsidiaries China Railway 16th Bureau Group 1st Engineering Co., Ltd. (中鐵十六局集團第一工程有限公司) and China Railway 16th Bureau Group Subway Engineering Co., Ltd. (中鐵十六局集團地鐵工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 16th Bureau Group 2nd Engineering Co., Ltd. (中鐵十六局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 16th Bureau Group 3rd Engineering Co., Ltd. (中鐵十六局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiaries including China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司), China Railway 16th Bureau Group Beijing Metro Engineering Co., Ltd. (中鐵十六局集團北京軌道交通工程建設有限公司) and China Railway 16th Bureau Group Electrification Engineering Co., Ltd. (中鐵十六局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 16th Bureau Group 5th Engineering Co., Ltd. (中鐵十六局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway 16th Bureau Group Railway Transportation Engineering Co., Ltd. (中鐵十六局集團鐵運工程有限公司) has been recognised as a High-tech Enterprise by Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiaries including China Railway 16th Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵十六局集團路橋工程有限公司) and China Railway 16th Bureau Group City Construction Development Co., Ltd. (中鐵十六局集團城市建設發展有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司): (1) its subsidiary China Railway 17th Bureau 1st Engineering Co., Ltd. (中鐵十七局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 17th Bureau 3rd Engineering Co., Ltd. (中鐵十七局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 17th Bureau 5th Engineering Co., Ltd. (中鐵十七局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiaries including China Railway 17th Bureau Group Construction Engineering Co., Ltd. (中鐵十七局集團建築工程有限公司) and China Railway 17th Bureau Group Electrification Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 17th Bureau Municipal Construction Co., Ltd. (中鐵十七局集團市政建設有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiary China Railway 17th Bureau Group City Construction Development Co., Ltd. (中鐵十七局集團城市建設有限公司) has been recognised as a High-tech Enterprise by Guizhou Provincial Science and Technology Commission, Guizhou Provincial Finance Bureau, and Guizhou Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (7) its subsidiary China Railway 17th Bureau Group 6th Engineering Co., Ltd. (中鐵十七局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (8) its subsidiary China Railway 17th Bureau Group (Guangzhou) Construction Co., Ltd. (中鐵十七局集團(廣州)建設有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司): (1) its subsidiary China Railway 18th Bureau Group 2nd Engineering Co., Ltd. (中鐵十八局集團第二工程有限公司) has been recognised as High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 18th Bureau Group 3rd Engineering Co., Ltd. (中鐵十八局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 18th Bureau Group 4th Engineering Co., Ltd. (中鐵十八局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway 18th Bureau Group 5th Engineering Co., Ltd. (中鐵十八局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (5) its subsidiary China Railway 18th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十八局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司): (1) China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司) and its subsidiaries including China Railway 19th Bureau Group Rail Transit Engineering Co., Ltd. (中鐵十九局集團軌道交通工程有限公司) and China Railway 19th Bureau Group Mining Investment Co., Ltd. (中鐵十九局集團礦業投資有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 19th Bureau Group 1st Engineering Co., Ltd. (中鐵十九局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 19th Bureau Group 3rd Engineering Co., Ltd. (中鐵十九局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway 19th Bureau Group 5th Engineering Co., Ltd. (中鐵十九局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 19th Bureau Group 6th Engineering Co., Ltd. (中鐵十九局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway 19th Bureau Group East China Engineering Co. Ltd. (中鐵十九局集團華東工程有限公司) has been recognised as a High-tech Enterprise by Ningbo Science and Technology Bureau, Ningbo Municipal Finance Bureau, and Ningbo Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (7) its subsidiary China Railway 19th Bureau Group Corporation Electric Engineering Co., Ltd. (中鐵十九局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) its subsidiary China Railway 19th Bureau Group Guangzhou Engineering Co., Ltd. (中鐵十九局集團廣州工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司): (1) its subsidiary China Railway Construction Urban Construction Transportation Development Co., Ltd. (中鐵建城建交通發展有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Building and Installing Engineering Design Institute Co., Ltd. (中鐵建安工程設計院有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiary China Railway Construction Technology Testing Co. Ltd (中鐵建科檢測有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司): (1) its subsidiary China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 21st Bureau Group Electric and Chemical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (3) its subsidiary Western Railway Construction Engineering Materials Technology Co., Ltd. (西部鐵建工程材料科技有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司): (1) China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司) and its subsidiaries China Railway 22nd Bureau Group Metro Co., Ltd. (中鐵二十二局集團軌道工程有限公司) and China Railway Jingcheng Engineering Testing Co., Ltd. (中鐵京誠工程檢測有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 22nd Bureau Group 1st Engineering Co., Ltd. (中鐵二十二局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiaries China Railway 22nd Bureau Group 2nd Engineering Co., Ltd. (中鐵二十二局集團第二工程有限公司) and China Railway 22nd Bureau Group Electrification Engineering Co., Ltd. (中鐵二十二局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 22nd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十二局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway 22nd Bureau Group 4th Engineering Co., Ltd. (中鐵二十二局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) Heilongjiang Tiecheng Engineering Testing Co., Ltd. (黑龍江鐵誠工程檢測有限責任公司) has been recognised as a Hightech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (7) China Railway 22nd Bureau Group Municipal Engineering Co., Ltd. (中鐵二十二局集團市政工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司): (1) its subsidiary China Railway 23rd Bureau Group 1st Engineering Co., Ltd. (中鐵二十三局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 23rd Bureau Group Construction Design Institute Co., Ltd. (中鐵二十三局集團建築設計研究院有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 23rd Bureau Group Electric Engineering Co., Ltd. (中鐵二十三局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science & Technology Commission, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 23rd Bureau Group (Hubei) Blasting Co., Ltd. (中鐵二十三局集團(湖北)爆破有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary Qiqihar Futie Sleeper Co., Ltd. (齊齊哈爾富鐵軌枕有限公司) has been recognised as a Hightech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (7) its subsidiary China Railway 23rd Bureau Group Rail Transit Engineering Co., Ltd. (中鐵二十三局集團軌道交通工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司): (1) its subsidiary China Railway 24th Bureau Group Shanghai Railway Construction Co., Ltd.(中鐵二十四局集團上海鐵建工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 24th Bureau Group Shanghai electrification Co., Ltd.(中鐵二十四局集團上海電務電化有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (3) its subsidiary China Railway 24th Bureau Group Jiangsu Construction Co., Ltd. (中鐵二十四局集團江蘇工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Jiangsu Province Finance Bureau, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 25th Bureau Group Co., Ltd. (中鐵二十五局集團有限公司): (1) its subsidiary China Railway 25th Bureau Group 1st Engineering Co., Ltd. (中鐵二十五局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 25th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十五局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 25th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 25th Bureau Group 4th Engineering Co., Ltd. (中鐵二十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 25th Bureau Group 5th Engineering Co., Ltd. (中鐵二十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiaries including Guangzhou Tiecheng Engineering Inspection Co., Ltd. (廣州鐵誠工程質量檢測有限公司), China Railway 25th Bureau Group Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司) and China Railway Construction Dawan District Construction Co., Ltd. (中鐵建大灣區建設有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (7) its subsidiary Liuzhou Railway Engineering Quality Testing Center Co., Ltd. (柳州鐵路工程質量檢測中心有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司): (1) China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway Construction Group Infrastructure Construction Co., Ltd. (中鐵建設集團基礎設施建設有限公司) and China Railway Construction Group Electromechanical Installation Co., Ltd. (中鐵建設集團機電安裝有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Group South Engineering Co., Ltd. (中鐵建設集團南方工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary including Beijing CRCC Decoration Engineering Co., Ltd. (北京中鐵裝飾工程有限公司), Beijing CRCC Installation Engineering Co., Ltd. (北京中鐵安裝工程有限公司), Beijing China Railway Construction Technology Co., Ltd. (北京中鐵建築科技有限公司) and China Railway Construction Group Beijing Engineering Co., Ltd. (中鐵建設集團北京工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway Construction Group East China Engineering Co., Ltd. (中鐵建設集團華東工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Group Construction Development Co., Ltd. (中鐵建設集團建築發展有限公司) has been recognised as a High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary China Railway Construction Group North China Engineering Co., Ltd. (中鐵建設集團華北工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Science and Technology Bureau, Tianjin Municipal Bureau of Finance, and Tianjin Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (8) its subsidiary China Railway Construction Group Central-south China Construction Co., Ltd. (中鐵建設集團中南建設有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (9) its subsidiary China Railway Construction Group Xi'an Engineering Co., Ltd. (中鐵建設集團西安工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shaanxi Province, Department of Finance of Shaanxi Province, and Shaanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司): (1) China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司) and its subsidiary Beijing CRCC Electrification Design Institute Co., Ltd. (北京中鐵建電氣化設計研究院有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) China Railway Construction Electrification Bureau Group 1st Engineering Co., Ltd. (中鐵建電氣化局集團第一工程有限公司) has been recognised as a High-tech Enterprise by the Henan Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Electrification Bureau Group 2nd Engineering Co., Ltd. (中國鐵建電氣化局集團第二工程有限公司) has been recognised as a High-tech Enterprise by the Shanxi Science and Technology Department, Department of Finance of Shanxi Province, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway Construction Electrification Bureau Group 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction Electrification Bureau Group 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Electrification Bureau Group Science and Technology Co., Ltd. (中鐵建電氣化局集團科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiaries China Railway Construction Electrification Bureau Group Metro Engineering Machinery Co., Ltd. (中鐵建電氣化局集團軌道交通器材有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (8) its subsidiary China Railway Construction Electrification Bureau Group Operation Management Co., Ltd. (中鐵建電氣化局集團運營管理有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (9) its subsidiary China Railway Construction Electrification Bureau Group South Engineering Co., Ltd. (中鐵建電氣化局集團南方工程有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (10) its subsidiary China Railway Construction Electrification Bureau Group 4th Engineering Co., Ltd. (中鐵建電氣化局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (11) its subsidiary China Railway Construction Electrification Bureau Group Kang Yuan New Material Co., Ltd. (中鐵建電氣化局集團康遠新材料有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司): (1) CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (2) its subsidiary CRCC Harbour and Channel Engineering Bureau Group Survey & Design Institute Co., Ltd. (中鐵建港航局集團勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司): (1) China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway Urban Construction Group 1st Engineering Co., Ltd. (中鐵城建集團第一工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway Urban Construction Group 2nd Engineering Co., Ltd. (中鐵城建集團第二工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway Urban Construction Group 3rd Engineering Co., Ltd. (中鐵城建集團第三工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary Beijing Engineering Company Limited of China Railway Urban Construction Group (中鐵城建集團北京工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway Urban Construction Group Nanchang Construction Co., Ltd. (中鐵城建集團南昌建設有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (7) its subsidiaries China Railway Urban Construction Group Urban Operation Services Co., Ltd. (中鐵城建集團城市運營服務有限公司) and China Railway Urban Construction Group Construction Technology Co., Ltd. (中鐵城建集團建築科技有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司): (1) China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司) and its subsidiary Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd. (鐵四院(湖北)工程監理諮詢有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023 and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Wuhan Railway SIYUAN Engineering Consulting Co., Ltd. (武漢鐵四院工程諮詢有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway SIYUAN Survey and Design Group Engineering Construction Co., Ltd. (中鐵四院集團工程建設有限責任公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2021 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway SIYUAN Survey and Design Group Nanning Survey and Design Institute Co., Ltd. (中鐵四院集團南寧勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway SIYUAN Survey and Design Group Southwest Survey and Design Institute Co., Ltd. (中鐵四院集團西南勘察設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Yunnan Province, Department of Finance of Yunnan Province, and Yunnan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (6) its subsidiary China Railway SIYUAN Survey and Design Group New Type Rail Transit Design & Research Co., Ltd. (中鐵四院集團新型軌道交通設計研究有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary Haixia (Fujian) Transportation Engineering Design Co., Ltd. (海峽(福建)交通工程設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Fujian Province, Department of Finance of Fujian Province, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) its subsidiary China Railway Siyuan Group Guangzhou Designing Institute Co., Ltd. (廣東省鐵路規劃設計研究院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司): (1) China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司) and its subsidiaries including Beijing Tieyan Construction Supervision Co., Ltd. (北京鐵研建設監理有限責任公司), Beijing China Railway Ecological Environment Design Institute Co., Ltd. (北京中鐵生態環境設計院有限公司), Beijing Railway Fifth Group Engineering Machinery Co., Ltd. (北京鐵五院工程機械有限公司), Beijing Tiecheng GIGNA Engineering Testing Co., Ltd. (北京鐵城檢測認證有限公司) and Beijing China Railway Construction North Road & Bridge Engineering Co., Ltd. (北京中鐵建北方路橋工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Beijing Tiecheng Engineering Consulting Co., Ltd. (北京鐵城工程諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (3) its subsidiary Quzhou Communication Design Co., Ltd. (衢州市交通設計有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司): China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司): China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司) and its subsidiary Zhuzhou China Railway Electric Materials Co., Ltd. (株洲中鐵電氣物資有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Civil Engineering Construction Corporation (中國土木工程集團有限公司): its subsidiary China Railway CCECC Fuzhou Survey & Design Institute Co., Ltd. (中土集團福州勘察設計研究院有限公司) has been recognised as a High-tech Enterprise by Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司): its subsidiary Suzhou Traffic Design Research Institute Co., Ltd. (中鐵建蘇州設計研究院有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司): its subsidiary Beijing Ruiweitong Engineering Machinery Co., Ltd. (北京瑞維通工程機械有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司): (1) CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司) and its subsidiary CRCC Cyber Information Technology Co., Ltd. (中鐵建網絡信息科技有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary Chenghe RuiZheng Risk Management Consulting Co., Ltd. (誠合瑞正風險管理諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Group South China Construction Co., Ltd. (中鐵建華南建設有限公司): its subsidiary China Railway Construction South China Construction (Guangzhou) High Tech Industry Co., Ltd. (中鐵建華南建設(廣州)高科技產業有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Guangdong Province Finance Bureau, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	31 December 2023	31 December 2022
Cash on hand	66,019	58,623
Cash at banks	153,806,061	144,832,184
Other cash and bank balances	8,626,759	8,750,612
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	4,458,998	4,783,391
Total	166,957,837	158,424,810

The restricted cash and bank balances of the Group are stated in Note V. 67.

As at 31 December 2023, the Group held foreign cash and bank balances amounting to RMB11,280,052,000 (31 December 2022: RMB11,507,229,000), certain cash and bank balances deposited in certain countries or regions that were subject to foreign exchange control were not freely convertible into other currencies or remitted out of those countries. As at 31 December 2023, the Group's cash and bank balances held in these countries or regions represented less than 3% (31 December 2022: less than 3%) of the cash and bank balances in the Group's consolidated statement of financial position.

RMB'000

Item	31 December 2023	31 December 2022
Cash and bank balances at the end of the year	166,957,837	158,424,810
Less: Mandatory reserves placed by CRCC Finance Company Limited with the central bank	4,458,998	4,783,391
Less: Other restricted cash and bank balances	8,601,659	8,697,253
Less: Non-pledged time deposits with original maturity of three months or more when acquired	1,259,403	428,674
Cash and cash equivalents at the end of the year	152,637,777	144,515,492

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

RMB'000

Item	31 December 2023	31 December 2022
Equity instruments	467,563	561,719
Others	1,162,222	399,579
Total	1,629,785	961,298

3. Bills receivable

RMB'000

Item	31 December 2023	31 December 2022
Commercial acceptance bills	2,996,061	7,594,637
Bank acceptance bills	249,332	955,668
Less: Impairment of credit losses	16,352	55,274
Total	3,229,041	8,495,031

As at 31 December 2023, the Group had RMB139,522,000 (31 December 2022: RMB1,121,709,000) non-matured bills receivable which had right of recourse and had been endorsed to other parties. The Group did not derecognise those bills receivable as the Group considered that all risks and rewards of the ownership had not been transferred from the endorsed bills receivable.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable (Continued)

Bills receivable and impairment of credit losses are listed by category are listed as follows:

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed by credit risk portfolio	3,245,393	100.00	16,352	0.50	3,229,041
Total	3,245,393	100.00	16,352	0.50	3,229,041

RMB'000

Category	31 December 2022		31 December 2022		Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed individually	180,368	2.11	12,672	7.03	167,696
Impairment of credit losses assessed by credit risk portfolio	8,369,937	97.89	42,602	0.51	8,327,335
Total	8,550,305	100.00	55,274	0.65	8,495,031

The restricted bills receivable of the Group are stated in Note V. 67.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables at FVTOCI

RMB'000

Item	31 December 2023	31 December 2022
Bank acceptance bills	2,723,520	3,321,965
Total	2,723,520	3,321,965

As at 31 December 2023, the Group had RMB2,272,750,000 (31 December 2022: RMB4,738,314,000) non-matured bills receivable which had right of recourse and had been discounted or endorsed to other parties. The Group derecognised those bills receivable as the Group considered that all risks and rewards of the ownership had been transferred from the discounted or endorsed bills receivable since there was extremely low risk of the acceptor's inability to cash the bills upon expiry due to the acceptor's good reputation.

5. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Movements in impairment of credit losses for trade receivables are listed as follows:

RMB'000

Item	2023	2022
Opening balance of the current year	15,215,783	12,469,078
Provision for the year	4,567,847	4,244,393
Less: Reversal for the year	1,337,239	1,832,751
Less: Write-off for the year	7,926	87,379
Transfer from bills receivable	2,014	933,513
Others	(401,742)	(511,071)
Closing balance of current year	18,038,737	15,215,783

The movements in detail of impairment of credit losses for the year ended 31 December 2023 are presented in Note VIII. 3.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Trade receivables and impairment of credit losses by category are listed as follows:

RMB'000

Category	31 December 2023		31 December 2023		Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed individually	30,576,721	17.59	11,834,741	38.71	18,741,980
Impairment of credit losses assessed by credit risk portfolio	143,271,083	82.41	6,203,996	4.33	137,067,087
Total	173,847,804	100.00	18,038,737	10.38	155,809,067

RMB'000

Category	31 December 2022		31 December 2022		Carrying amount
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	
Impairment of credit losses assessed individually	30,618,497	19.57	9,983,717	32.61	20,634,780
Impairment of credit losses assessed by credit risk portfolio	125,826,905	80.43	5,232,066	4.16	120,594,839
Total	156,445,402	100.00	15,215,783	9.73	141,229,619

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed individually are listed as follows:

RMB'000

Company name	31 December 2023		Provision percentage (%)	Reasons
	Gross carrying amount	Impairment of credit losses		
Company 1	746,446	252,993	33.89	Note
Company 2	586,442	139,189	23.73	Note
Company 3	575,639	386,645	67.17	Note
Company 4	574,693	57,469	10.00	Note
Company 5	548,834	88,911	16.20	Note
Others	27,544,667	10,909,534	39.61	—
Total	30,576,721	11,834,741	38.71	—

Note: According to the recoverability of trade receivables, the Group recorded impairment of credit losses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows:

Portfolio 1:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	74,771,913	79.55	973,038	1.30
1 to 2 years	12,554,589	13.35	727,867	5.80
2 to 3 years	4,216,272	4.48	580,810	13.78
Over 3 years	2,465,778	2.62	1,265,460	51.32
Total	94,008,552	100.00	3,547,175	3.77

Portfolio 2:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	9,454,843	85.03	91,988	0.97
1 to 2 years	1,065,619	9.58	57,426	5.39
2 to 3 years	279,482	2.51	31,126	11.14
Over 3 years	319,724	2.88	180,971	56.60
Total	11,119,668	100.00	361,511	3.25

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows: (Continued)

Portfolio 3:

RMB'000

Aging	31 December 2023			
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)
Within 1 year	4,561,379	68.63	40,909	0.90
1 to 2 years	1,095,583	16.48	58,577	5.35
2 to 3 years	446,449	6.72	55,193	12.36
Over 3 years	542,866	8.17	276,403	50.92
Total	6,646,277	100.00	431,082	6.49

Portfolio 4:

RMB'000

Aging	31 December 2023			
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)
Within 1 year	7,286,067	86.18	39,757	0.55
1 to 2 years	1,090,063	12.89	29,815	2.74
2 to 3 years	59,153	0.70	1,275	2.16
Over 3 years	19,183	0.23	4,644	24.21
Total	8,454,466	100.00	75,491	0.89

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows: (Continued)

Portfolio 5:

RMB'000

Aging	31 December 2023			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	17,350,323	75.30	296,886	1.71
1 to 2 years	3,312,460	14.38	255,795	7.72
2 to 3 years	950,672	4.13	150,018	15.78
Over 3 years	1,428,665	6.19	1,086,038	76.02
Total	23,042,120	100.00	1,788,737	7.76

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Top five entities with the largest balances of trade receivables and contract assets at the end of the year:

RMB'000

Company name	Relationship with the Group	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of impairment of credit losses
Company 1	Third party	1,064,482	119,353	1,183,835	0.20	51,904
Company 2	Third party	994,811	813,941	1,808,752	0.30	30,325
Company 3	Third party	874,685	522,689	1,397,374	0.23	25,227
Company 4	Third party	864,577	55,321	919,898	0.15	5,749
Company 5	Third party	861,045	695,547	1,556,592	0.26	13,984
Total	–	4,659,600	2,206,851	6,866,451	1.14	127,189

For the year ended 31 December 2023, the write-off of trade receivables amounted to RMB7,926,000 (For the year ended 31 December 2022: RMB87,379,000).

The restricted trade receivables of the Group are stated in Note V. 67.

As at 31 December 2023, the Group derecognised trade receivables of RMB93,749,094,000 (as at 31 December 2022: RMB98,493,489,000) due to transfer of financial assets and recognised losses from derecognition of financial assets, amounting to RMB4,724,702,000 (as at 31 December 2022: RMB5,093,213,000).

Assets and liabilities recognised due to continuing involvement in the transferred asset:

As at 31 December 2023, the Group recognised assets of RMB948,545,000 and liabilities of RMB948,545,000 (As at 31 December 2022: RMB789,179,000 and RMB789,179,000) related to continuing involvement in transferred trade receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

An aging analysis of advances to suppliers is listed as follows:

RMB'000

Aging	31 December 2023		31 December 2022	
	Gross carrying amount	Percentage (%)	Gross carrying amount	Percentage (%)
Within 1 year	21,092,189	97.14	27,084,280	98.58
1 to 2 years	461,006	2.12	311,608	1.13
2 to 3 years	136,313	0.63	68,188	0.25
Over 3 years	23,121	0.11	9,761	0.04
Total	21,712,629	100.00	27,473,837	100.00

As at 31 December 2023, there were no advances to suppliers with significant balances aged over one year.

As at 31 December 2023, advances to the five largest suppliers are listed as follows:

RMB'000

Company name	Relationship with the Group	Amount	Time for prepayment	Percentage of total advances to suppliers (%)
Company 1	Third party	196,500	Within 1 year	0.91
Company 2	Third party	186,574	Within 1 year	0.86
Company 3	Third party	169,999	Within 1 year	0.78
Company 4	Third party	136,479	Within 1 year	0.63
Company 5	Third party	122,471	Within 1 year	0.56
Total	—	812,023	—	3.74

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	31 December 2023	31 December 2022
Within 1 year	37,507,915	44,440,889
1 to 2 years	9,465,575	11,367,776
2 to 3 years	6,561,547	6,056,062
Over 3 years	9,637,284	9,127,125
Subtotal	63,172,321	70,991,852
Less: Impairment of credit losses	6,269,706	4,941,384
Total	56,902,615	66,050,468

Movements in the impairment of credit losses of other receivables are listed as follows:

RMB'000

Item	2023	2022
Opening balance of the current year	4,941,384	4,733,087
Provision for the year	1,864,167	1,450,514
Less: Reversal for the year	472,227	527,791
Less: Write-off for the year	54,945	723,170
Others	(8,673)	8,744
Closing balance of the current year	6,269,706	4,941,384

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (1) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase I by credit risk portfolio is listed as follows:

RMB'000

Nature	Gross carrying amount	Impairment of credit losses	Provision percentage (%)
Loans for cooperative development project	25,704,126	286,076	1.11
Security deposit and cash pledged	13,551,614	825,892	6.09
Advance payments	6,205,737	319,399	5.15
Others	8,228,977	591,206	7.18
Total	53,690,454	2,022,573	3.77

- (2) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase II is listed as follows:

RMB'000

Category	31 December 2023				
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)	Carrying amount
Impairment of credit losses assessed individually	3,450,617	65.98	656,207	19.02	2,794,410
Impairment of credit losses assessed by credit risk portfolio	1,779,284	34.02	273,484	15.37	1,505,800
Total	5,229,901	100.00	929,691	17.78	4,300,210

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (2) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase II is listed as follows: (Continued)

Impairment of credit losses assessed individually of other receivables are listed as follows:

RMB'000

Company name	31 December 2023			Reasons
	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	
Company 1	2,537,171	505,619	19.93	Note
Company 2	913,446	150,588	16.49	Note
Total	3,450,617	656,207	19.02	–

Note: According to the recoverability of other receivables, the Group recorded impairment of credit losses.

As at 31 December 2023, analysis of impairment of credit losses assessed by credit risk portfolio of other receivables at phase II is listed as follows:

RMB'000

Nature	Gross carrying amount	Impairment of credit losses	Proportion %
Security deposit and cash pledged	870,443	138,539	15.92
Advance payments	199,136	29,123	14.62
Others	709,705	105,822	14.91
Total	1,779,284	273,484	15.37

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (3) As at 31 December 2023, analysis of impairment of credit losses of other receivables at phase III is listed as follows:

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	
Impairment of credit losses assessed individually	2,864,633	67.37	2,157,754	75.32	706,879
Impairment of credit losses assessed by credit risk portfolio	1,387,333	32.63	1,159,688	83.59	227,645
Total	4,251,966	100.00	3,317,442	78.02	934,524

Impairment of credit losses assessed individually of other receivables is listed as follows:

RMB'000

Company name	31 December 2023			Reasons
	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	
Company 1	568,348	77,430	13.62	Note
Company 2	494,197	280,075	56.67	Note
Company 3	168,338	168,338	100.00	Note
Company 4	150,000	150,000	100.00	Note
Company 5	143,066	143,066	100.00	Note
Others	1,340,684	1,338,845	99.86	—
Total	2,864,633	2,157,754	75.32	—

Note: According to the recoverability of other receivables, the Group recorded impairment of credit losses.

For the year ended 31 December 2023, the write-off of other receivables amounted to RMB54,945,000 (for the year ended 31 December 2022: RMB723,170,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

Gross carrying amount of other receivables categorised by nature is listed as follows:

RMB'000

Nature	31 December 2023	31 December 2022
Loans for cooperative development project	29,566,393	35,395,337
Security deposit and cash pledged	15,831,424	16,282,727
Advance payments	7,136,375	7,398,929
Others	10,638,129	11,914,859
Total	63,172,321	70,991,852

As at 31 December 2023, other receivables from the five largest customers are listed as follows:

RMB'000

Company name	Relationship with the Group	Closing balance	Percentage of total balance of other receivables (%)	Nature	Aging	Impairment for credit losses
Company 1	Joint Venture	2,537,172	4.02	Loans for cooperative development project	Over 5 years	505,619
Company 2	Joint Venture	1,633,436	2.59	Loans for cooperative development project	Within 4 years	1,691
Company 3	Associate	1,344,976	2.13	Loans for cooperative development project	Within 3 years	1,345
Company 4	Joint Venture	1,341,562	2.12	Loans for cooperative development project	Within 5 years	1,342
Company 5	Associate	1,124,439	1.77	Loans for cooperative development project	Within 3 years	1,124
Total	–	7,981,585	12.63	–	–	511,121

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	20,759,846	33,381	20,726,465
Work in progress	5,108,554	—	5,108,554
Finished goods	8,436,234	109,436	8,326,798
Turnover materials	13,229,591	99,514	13,130,077
Properties under development (1)	191,963,579	1,274,694	190,688,885
Completed properties held for sale (2)	72,157,755	2,495,742	69,662,013
Total	311,655,559	4,012,767	307,642,792

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	23,988,214	34,073	23,954,141
Work in progress	4,132,887	—	4,132,887
Finished goods	8,237,127	19,083	8,218,044
Turnover materials	12,066,516	99,514	11,967,002
Properties under development (1)	200,416,121	962,053	199,454,068
Completed properties held for sale (2)	53,912,814	1,820,430	52,092,384
Total	302,753,679	2,935,153	299,818,526

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

Movements in the provision for decline in value of inventories are listed as follows:

RMB'000

Item	1 January 2023	Additions		Reductions		31 December 2023
		Provision	Others	Reversal	Write-off and Others	
Raw materials	34,073	2,554	–	1,314	1,932	33,381
Finished goods	19,083	97,176	–	–	6,823	109,436
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	962,053	318,365	–	–	5,724	1,274,694
Completed properties held for sale	1,820,430	1,098,833	–	–	423,521	2,495,742
Total	2,935,153	1,516,928	–	1,314	438,000	4,012,767

RMB'000

Item	1 January 2022	Additions		Reductions		31 December 2022
		Provision	Others	Reversal	Write-off and Others	
Raw materials	24,879	9,194	–	–	–	34,073
Finished goods	83,269	2,217	–	7,163	59,240	19,083
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	677,641	399,989	–	–	115,577	962,053
Completed properties held for sale	1,003,223	875,303	115,577	–	173,673	1,820,430
Total	1,888,526	1,286,703	115,577	7,163	348,490	2,935,153

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(1) Details of the properties under development are listed as follows:

RMB'000

Project name	Construction commencement date	Estimated latest completion date	Estimated aggregate investment amount	31 December 2023	31 December 2022
Wenzhou Lucheng Future Community	September 2020	March 2024	10,705,140	7,113,619	7,494,191
Shanghai Riverside Mansion Project	September 2023	October 2025	8,900,200	6,856,976	–
Tianjin Xipai Guoyin Project	October 2018	October 2024	10,569,200	5,305,364	5,707,240
Tiejian City Project	February 2022	December 2024	11,016,325	4,297,863	3,868,364
Xingyue Yunjian Project	August 2022	October 2024	4,393,940	3,763,903	3,135,188
CRCC Xinda Huayu Tianchen Project	November 2021	July 2024	3,836,220	3,505,483	3,036,145
CRCC Xipai Lan'an Project	May 2022	October 2025	4,879,450	3,297,950	2,817,888
City Throne Project	October 2023	December 2025	8,643,000	3,017,306	–
Chongqing Shanyu Taoyuan Project	June 2022	October 2024	5,564,884	2,987,553	3,854,485
Jinan Wutongyuan Project	May 2020	December 2027	5,334,643	2,888,019	3,079,237
Lingxiu Mansion South Zone Project	December 2018	April 2024	3,371,423	2,868,451	2,862,214
Chengdu Qingyang City Park Junior Project	March 2023	December 2024	3,780,890	2,772,846	2,364,900
New Xidu Project	June 2023	November 2025	4,457,350	2,762,451	–
Tiejian City (Guiyang) Project	August 2020	December 2024	3,792,080	2,758,690	2,804,485
CRCC Huayu City Project	May 2021	December 2024	5,553,727	2,730,762	3,372,651
Chengdu Wuhou City Park Pure Project	November 2023	August 2025	4,351,390	2,689,247	–
Suzhou Chefang Project	August 2022	January 2025	3,090,650	2,500,163	2,200,919
Chongqing City Park Project	January 2022	June 2026	5,575,299	2,446,014	2,176,068
CRCC South China Headquarters Building Project	October 2022	June 2027	5,504,825	2,345,187	2,028,500
CRCC Taiyuan Huayutang Project	March 2019	December 2024	2,906,519	2,323,965	4,162,291
Others	–	–	372,771,867	122,731,767	145,451,355
Total	–	–	488,999,022	191,963,579	200,416,121

As at 31 December 2023, the aggregate carrying amount of borrowing costs capitalised in properties under development was RMB13,646,498,000 (31 December 2022: RMB13,417,224,000). Borrowing costs capitalised for the year ended 31 December 2023 amounted to RMB5,795,870,000 (for the year ended 31 December 2022: RMB6,150,447,000). The capitalisation rates of borrowing costs ranged from 2.55%~7.00% (2022: 3.15%~7.00%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(2) Details of the completed properties held for sale are listed as follows:

RMB'000

Project name	Latest completion date	1 January 2023 Gross carrying amount	Additions	Reductions	31 December 2023 Gross carrying amount
Shanghai Jindi Jiayuan Project	December 2023	–	3,364,224	–	3,364,224
CRCC Huayutang Project	December 2023	–	2,838,740	–	2,838,740
CRCC Xipai Yujiang Project	October 2023	980,506	1,609,063	143,208	2,446,361
Xipai Chenyue Project	September 2023	1,996,428	1,028,034	1,157,412	1,867,050
Guiyang CRCC International City Project	September 2023	1,173,344	1,243,449	690,039	1,726,754
Xipai Huanhua Project	December 2021	1,764,131	80,544	148,974	1,695,701
Tianjin Xipai Guoyin Project	February 2023	1,492,070	853,348	673,951	1,671,467
Florissa Project	August 2023	–	1,878,968	382,635	1,496,333
CRCC Future City Project	December 2023	–	1,554,196	75,684	1,478,512
Changchun Xipai Tangsong Project	February 2022	1,517,649	–	47,333	1,470,316
Qingdao CRCC Plaza Project	December 2023	–	2,096,003	696,426	1,399,577
Tianjin CRCC International City Project	April 2019	1,372,472	–	62,702	1,309,770
CRCC Wutong Garden Project	December 2021	1,389,008	–	115,780	1,273,228
Chongqing Shanyu Taoyuan Project	October 2023	–	1,566,393	322,665	1,243,728
CRCC Xipai City Project	December 2021	1,450,814	–	216,205	1,234,609
Wutong Qianshan Project	June 2022	1,135,903	48,485	53,188	1,131,200
Chengdu Beihu Xinqu Project	December 2019	1,191,890	–	68,712	1,123,178
Xi'an Xipai International Project	May 2023	–	1,498,492	411,576	1,086,916
Chenyue International Project	December 2023	–	3,406,230	2,320,978	1,085,252
Tiejian Garden Project	April 2023	885,606	179,029	–	1,064,635
Others	–	37,562,993	68,998,033	66,410,822	40,150,204
Total	–	53,912,814	92,243,231	73,998,290	72,157,755

The restricted inventories of the Group are stated in Note V. 67.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets

Contract assets are from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract term, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is presented as contract asset, and is disclosed in contract assets/other non-current assets based on liquidity. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities.

RMB'000

Item	31 December 2023	31 December 2022
Contract assets	299,830,365	261,146,740
Less: Provision for impairment losses on contract assets	8,048,261	6,683,222
Total	291,782,104	254,463,518

Movements in provision for impairment losses on contract assets are listed as follows:

RMB'000

Item	2023	2022
Opening balance of current period/year	6,683,222	5,851,536
Provision for the period/year	1,982,624	1,459,725
Less: Reversal for the period/year	617,280	613,084
Others	(305)	(14,955)
Closing balance of current year	8,048,261	6,683,222

The movements in provision for impairment losses on contract assets for the year ended 31 December 2023 are presented in Note VIII. 3.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

Contract assets and provision for impairment losses on contract assets are listed by category are listed as follows:

RMB'000

Category	31 December 2023				
	Gross carrying amount Amount	Percentage (%)	Provision for impairment of assets Amount	Percentage (%)	Carrying amount
Provision for impairment of assets assessed individually	27,544,204	9.19	6,359,023	23.09	21,185,181
Provision for impairment of assets assessed by credit risk portfolio	272,286,161	90.81	1,689,238	0.62	270,596,923
Total	299,830,365	100.00	8,048,261	2.68	291,782,104

RMB'000

Category	31 December 2022				
	Gross carrying amount Amount	Percentage (%)	Provision for impairment of assets Amount	Percentage (%)	Carrying amount
Provision for impairment of assets assessed individually	26,912,368	10.31	5,340,458	19.84	21,571,910
Provision for impairment of assets assessed by credit risk portfolio	234,234,372	89.69	1,342,764	0.57	232,891,608
Total	261,146,740	100.00	6,683,222	2.56	254,463,518

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

As at 31 December 2023, contract assets whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount	Percentage (%)
Portfolio 1	233,367,630	1,305,416	0.56
Portfolio 2	13,068,458	77,173	0.59
Portfolio 3	3,021,651	15,736	0.52
Portfolio 4	22,828,422	290,913	1.27
Total	272,286,161	1,689,238	0.62

10. Current portion of non-current assets

RMB'000

Item	31 December 2023	31 December 2022
Current portion of long-term receivables (Note V. 13)	15,013,463	10,972,741
Current portion of retention receivables (Note V. 26)	7,533,560	9,005,004
Current portion of other debt investments (Note V. 16)	6,963,058	5,959,529
Current portion of debt investments (Note V. 15)	21,728	142,887
Total	29,531,809	26,080,161

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Other current assets

RMB'000

Item	31 December 2023	31 December 2022
Prepaid taxes and VAT input to be deducted	22,469,099	22,408,489
Reverse repurchase of treasury bonds	2,999,989	–
Others	1,362,344	1,265,583
Total	26,831,432	23,674,072

12. Loans and advances to customers

RMB'000

Item	31 December 2023	31 December 2022
Loans to customers	1,686,305	1,445,190

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term project receivables	67,686,218	2,314,022	65,372,196
PPP project receivables	10,463,336	76,660	10,386,676
Land development receivables	20,704,036	106,952	20,597,084
Others	29,521,058	1,004,473	28,516,585
Total	128,374,648	3,502,107	124,872,541
Less: Current portion of non-current assets:	15,216,381	202,918	15,013,463
Including: Long-term project receivables	4,392,424	56,187	4,336,237
PPP project receivables	2,235,505	32,121	2,203,384
Land development receivables	3,756,602	19,033	3,737,569
Others	4,831,850	95,577	4,736,273
Long-term receivables due after one year	113,158,267	3,299,189	109,859,078

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term project receivables	49,944,925	1,678,948	48,265,977
PPP project receivables	10,081,200	50,300	10,030,900
Land development receivables	13,562,265	61,898	13,500,367
Others	20,252,001	521,692	19,730,309
Total	93,840,391	2,312,838	91,527,553
Less: Current portion of non-current assets:	11,127,390	154,649	10,972,741
Including: Long-term project receivables	3,598,206	37,751	3,560,455
PPP project receivables	3,452,359	24,229	3,428,130
Land development receivables	1,403,083	7,015	1,396,068
Others	2,673,742	85,654	2,588,088
Long-term receivables due after one year	82,713,001	2,158,189	80,554,812

The Group assesses ECL of long-term receivables on an individual or a collective basis of credit risk characteristics.

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	4,667,537	3.64	2,028,406	43.46	2,639,131
Impairment of credit losses assessed by credit risk portfolio	123,707,111	96.36	1,473,701	1.19	122,233,410
Total	128,374,648	100.00	3,502,107	2.73	124,872,541

As at 31 December 2023, long-term receivables with significant financing component were presented in accordance with the net amount after discount. The discount rate is 3.65%-5.50% (31 December 2022: 3.65%-5.50%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

As at 31 December 2023, impairment of credit losses assessed individually of long-term receivables is listed as follows:

RMB'000

Company name	31 December 2023		Provision percentage (%)	Reasons
	Gross carrying amount	Impairment of credit losses		
Company 1	1,384,993	371,015	26.79	Note
Company 2	745,412	430,828	57.80	Note
Company 3	682,097	226,827	33.25	Note
Company 4	525,139	525,139	100.00	Note
Company 5	268,007	40,201	15.00	Note
Others	1,061,889	434,396	40.91	—
Total	4,667,537	2,028,406	43.46	—

Note: According to the recoverability of receivables, the Group recorded impairment of credit losses.

As at 31 December 2023, long-term receivables whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are listed as follows:

RMB'000

	Gross carrying amount	Impairment of credit losses	
		Amount	Provision percentage (%)
Portfolio 1	102,948,331	1,206,371	1.17
Portfolio 2	119,273	1,306	1.09
Portfolio 3	13,122,340	96,688	0.74
Portfolio 4	7,517,167	169,336	2.25
Total	123,707,111	1,473,701	1.19

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

Movements in the impairment of credit losses of long-term receivables were as follows:

RMB'000

Item	2023	2022
Opening balance of the current year	2,312,838	960,518
Provision for the year	1,360,666	1,089,866
Less: Reversal for the year	196,799	151,674
Less: Write-off for the year	—	2,778
Others	25,402	416,906
Closing balance of the current year	3,502,107	2,312,838

As at 31 December 2023, the Group derecognised long-term receivables with gross carrying amount of RMB9,235,018,000 due to the transfer of financial assets (as at 31 December 2022: RMB1,223,292,000), and has recognised losses on derecognition of RMB572,284,000 (as at 31 December 2022: RMB122,882,000).

Assets and liabilities recognised due to continuing involvement in transferred long-term receivables:

As at 31 December 2023, the Group had assets of RMB79,105,000 and liabilities of RMB79,105,000 (As at 31 December 2022: RMB18,321,000 and RMB18,321,000) related to continuing involvement of transferred long-term receivables in previous years.

The restricted long-term receivables of the Group are stated in Note V. 67.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments

RMB'000

Item		31 December 2023	31 December 2022
Investments in unlisted companies – equity method			
Joint ventures	(1)	64,961,146	55,831,598
Associates	(2)	84,366,419	72,202,848
Less: Provision for impairment of long-term equity investments		49,208	49,208
Total		149,278,357	127,985,238

(1) Investment in joint ventures

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2023	Provision for impairment at the end of year
Sichuan Chengmiancangba Expressway Co., Ltd.	4,102,761	3,222,913	879,848	-	(83)	-	-	-	4,102,678	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,308,131	653,600	-	76,312	-	(132,455)	-	3,905,588	-
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	-	3,672,324	-
Chongqing Yuxiang Fuxian Highway Co., Ltd.	2,765,375	2,075,000	690,375	-	-	-	-	-	2,765,375	-
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	2,995,367	-	-	(396,161)	-	-	-	2,599,206	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,294,681	1,502,341	792,793	-	(529)	-	-	-	2,294,605	-
Xuchang Municipal Rail Construction Co., Ltd.	1,890,000	-	1,890,000	-	253	-	-	-	1,890,253	-
Guizhou Qianzhong Expressway Development Co., Ltd. (Note 3)	1,701,147	701,147	1,000,000	-	-	-	-	-	1,701,147	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,619,750	1,199,750	420,000	-	-	-	-	-	1,619,750	-
Others	-	35,417,316	5,841,849	(1,709,589)	(506,170)	90,678	(448,066)	(13,107)	38,672,911	(49,208)
Total	-	55,782,390	12,168,465	(1,709,589)	(826,378)	90,678	(580,521)	(13,107)	64,911,938	(49,208)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(1) Investment in joint ventures (Continued)

31 December 2022:

RMB'000

Investee	Investment cost	1 January 2022	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2022	Provision for impairment at the end of year
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,703,600	-	-	(31,276)	-	-	-	3,672,324	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,137,980	3,137,980	-	-	171,384	-	-	(1,233)	3,308,131	-
Sichuan Chengmiancangba Expressway Co., Ltd.	3,222,913	1,593,634	1,629,279	-	-	-	-	-	3,222,913	-
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	3,520,838	-	-	(525,471)	-	-	-	2,995,367	-
Chongqing Yuxiang Fuxian Highway Co., Ltd.	2,075,000	1,000,000	1,075,000	-	-	-	-	-	2,075,000	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	1,501,888	1,132,036	369,852	-	453	-	-	-	1,502,341	-
CROC Shaanxi Highway Co., Ltd.	1,597,200	1,544,830	-	-	(62,471)	-	-	-	1,482,359	-
Sichuan Nansuiyong Expressway Co., Ltd.	1,358,709	1,358,709	-	-	-	-	-	-	1,358,709	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,199,750	590,000	609,750	-	-	-	-	-	1,199,750	-
Others	-	26,314,672	8,669,038	(1,663,921)	148,349	514	(234,006)	42,749	33,277,395	(49,208)
Total	-	45,584,400	12,352,919	(1,663,921)	(299,032)	514	(234,006)	41,516	55,782,390	(49,208)

Note 1: According to the articles of association of Kunming Rail Transit Line 5 Construction & Operation Co., Ltd., the operation policies and investment plans made by the shareholders' meeting and the resolution of the review and approval of board of directors' report shall be subject to all voting rights of shareholders. The Group holds 54.40% shares in Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. and has sent one director to the board of directors. It can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 2: According to the articles of association of Hohhot Metro Line 2 Construction & Management Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.00% shares in Hohhot Metro Line 2 Construction & Management Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 3: According to the articles of association of Guizhou Qianzhong Expressway Development Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 65.00% shares in Guizhou Qianzhong Expressway Development Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Investment in associates

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in investment	Changes for the year			Declaration of cash dividends	Others	31 December 2023	Provision for impairment at the end of year
					Investment profits or losses under equity method	Other comprehensive income					
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,943,766	-	-	211,292	-	-	-	8,454	3,163,512	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	2,240,108	-	-	462,756	107,635	-	-	-	2,810,499	-
Hangu Railway Co., Ltd.	2,589,195	2,226,863	362,000	-	-	-	-	-	-	2,588,863	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	144,929	-	(144,929)	-	-	2,463,800	-
CRCC Ningxia Highway Co. Ltd.	2,069,873	1,647,237	422,610	-	-	-	-	-	-	2,069,847	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,975,223	-	-	(93,996)	-	-	-	-	1,881,227	-
Shanghai Wanjianglong Real Estate Co., Ltd.	1,862,000	-	1,862,000	-	(1,860)	-	-	-	-	1,860,140	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	1,727,004	-	-	(84,196)	-	-	-	-	1,642,808	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,410,000	779,726	740,527	-	85,237	-	-	-	-	1,605,490	-
Ningxia Inter-City Railway Co., Ltd.	1,589,200	1,701,025	-	(111,825)	72,180	-	(72,180)	-	-	1,589,200	-
Others	-	54,498,096	10,857,535	(2,712,908)	595,023	(5,470)	(513,855)	(27,388)	62,691,033	-	-
Total	-	72,202,848	14,244,672	(2,824,733)	1,391,365	102,165	(730,964)	(18,934)	84,366,419	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Investment in associates (Continued)

31 December 2022:

RMB'000

Investee	Investment cost	1 January 2022	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2022	Provision for impairment at the end of year
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,622,806	-	-	270,160	-	-	50,800	2,943,766	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	526,800	1,937,000	-	31,906	-	(31,906)	-	2,463,800	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	1,822,473	-	-	226,519	191,116	-	-	2,240,108	-
Hangqiu Railway Co., Ltd.	2,227,195	1,927,863	299,000	-	-	-	-	-	2,226,863	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	2,029,494	-	-	(54,271)	-	-	-	1,975,223	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	-	1,727,004	-	-	-	-	-	1,727,004	-
Ningxia Inter-City Railway Co., Ltd.	1,701,025	1,812,850	-	(111,825)	80,437	-	(80,437)	-	1,701,025	-
CRCC Ningxia Highway Co. Ltd.	1,647,263	510,212	1,137,025	-	-	-	-	-	1,647,237	-
CRCC Gansu Zhangbian Highway Co., Ltd.	1,469,650	1,532,899	-	-	21,549	-	-	-	1,554,448	-
Baihe No.6 (Shenzhen) Investment Partnership (Note 2)	1,533,000	1,433,000	100,000	-	67,162	-	(67,162)	-	1,533,000	-
Hengda Real Estate (Shenzhen) Co., Ltd.	2,313,506	2,185,523	-	-	(1,845,497)	-	-	-	340,026	-
Others	-	36,175,197	18,148,373	(2,512,018)	371,869	15,796	(292,069)	(56,800)	51,850,348	-
Total	-	52,579,117	23,348,402	(2,623,843)	(830,166)	206,912	(471,574)	(6,000)	72,202,848	-

Note 1: According to the articles of association of CRCC Financial Leasing Co., Ltd., the decisions of amending the company's articles of association, increasing the registered capital, resolutions of the company merger, division, dissolution, changing the company form, scope of operations, issuing of corporate bonds and selecting the directors shall be subject to more than two-thirds of voting rights of shareholders. Others shall be subject to more than half of voting rights of shareholders. As the Group holds 50.00% shares in CRCC Financial Leasing Co., Ltd., it can neither control nor jointly control the entity with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Note 2: The rules of procedure of Baihe No. 6 (Shenzhen) Investment Partnership (Limited Partnership) ("Baihe No. 6 Partnership") stipulate that: Baihe No. 6 Partnership has established the Investment Decision-making Committee ("Investment Committee"), which consists of 7 members. The resolution made by the Investment Committee shall be valid only if it is passed by more than four seventh of all the members present at the meeting. As the Group holds 9.90% of the voting rights of Baihe No. 6 Partnership and nominates one member in the Investment Committee, it can neither control nor jointly control Baihe No. 6 Partnership with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments

RMB'000

Item	Gross carrying amount	31 December 2023 Provision for credit losses	Carrying amount
Long-term loans receivable	7,880,938	1,843,034	6,037,904
Total	7,880,938	1,843,034	6,037,904
Less: Current portion of debt investments (Note V. 10)	21,837	109	21,728
Debt investments due after one year	7,859,101	1,842,925	6,016,176

RMB'000

Item	Gross carrying amount	31 December 2022 Provision for credit losses	Carrying amount
Long-term loans receivable	10,385,271	1,166,128	9,219,143
Others	41	–	41
Total	10,385,312	1,166,128	9,219,184
Less: Current portion of debt investments (Note V. 10)	143,305	418	142,887
Debt investments due after one year	10,242,007	1,165,710	9,076,297

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (Continued)

Changes in provision for credit losses of debt investments are as follows:

RMB'000

Item	2023	2022
1 January 2023	1,166,128	522,560
Provided for the year	694,184	644,423
Less: Reversals for the year	12,389	790
Less: written-off for the year	40	–
Others	(4,849)	(65)
31 December 2023	1,843,034	1,166,128

Debt investments and impairment of credit losses by category are listed as follows:

RMB'000

Category	31 December 2023				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	4,341,914	55.09	1,823,855	42.01	2,518,059
Impairment of credit losses assessed by credit risk portfolio	3,539,024	44.91	19,179	0.54	3,519,845
Total	7,880,938	100.00	1,843,034	23.39	6,037,904

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (Continued)

Debt investments and impairment of credit losses by category are listed as follows:
(Continued)

RMB'000

Category	Gross carrying amount		31 December 2022 Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	3,334,241	32.11	1,121,306	33.63	2,212,935
Impairment of credit losses assessed by credit risk portfolio	7,051,071	67.89	44,822	0.64	7,006,249
Total	10,385,312	100.00	1,166,128	11.23	9,219,184

In 2023, debt investments actually written-off are amounted to RMB40,000 (2022: Nil).

As at 31 December 2023, the Group's significant debt investments are as follows:

A subsidiary of the Group had entered into an interest borne loan agreement with a real estate industry customer, and recognised debt investment with gross carrying amount of RMB2,927,357,000. Due to the debt default of this customer, the subsidiary recognised impairment through default exposure and the life-time expected credit loss rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other debt investments

RMB'000

Item	1 January 2023	Increase (decrease) in investment	Accrued interest	Changes in fair value for the year	31 December 2023	Cost of investment	Accumulated changes in fair value
Bond investment	4,971,219	–	150,661	40,139	5,162,019	5,000,000	10,565
Interbank negotiable certificates of deposit	5,922,973	1,000,000	5,989	(12,078)	6,916,884	7,000,000	1,002
Total	10,894,192	1,000,000	156,650	28,061	12,078,903	12,000,000	11,567
Less: Current portion of other debt investments (Note V, 10)	5,959,529	–	–	–	6,963,058	–	–
Non-current portion of other debt investments	4,934,663	–	–	–	5,115,845	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other debt investments (Continued)

As at 31 December 2023, the Group's significant other debt investments are as follows:

RMB'000

Item	Par value	Nominal rate (%)	Effective interest rate (%)	Expiration date
2023 bookkeeping interest bearing (phase IV) treasury bond	5,000,000	2.88	2.62	25 February 2033
Interbank negotiable certificates of deposit	7,000,000	2.20~2.43	2.20~2.43	30 June 2024
Total	12,000,000	—	—	—

17. Other non-current financial assets

RMB'000

Item	31 December 2023	31 December 2022
Investments in unlisted fund product	6,191,649	3,747,217
Equity investments in listed companies	169,604	130,535
Others	3,925,896	4,509,935
Total	10,287,149	8,387,687

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Other equity instrument investments

RMB'000

Item	31 December 2023	31 December 2022
Equity investments in listed companies	1,974,362	2,000,190
Equity investments in unlisted companies	10,601,209	9,939,861
Total	12,575,571	11,940,051

2023:

RMB'000

Item	Changes for the year						Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
	1 January 2023	Increase of investment	Decrease of investment	Changes in fair value	Others	31 December 2023		
Other equity instrument investments	11,940,051	1,172,272	(445,453)	(91,554)	255	12,575,571	116,607	509,306

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Other equity instrument investments (Continued)

2022:

RMB'000

Item	Changes for the year					31 December 2022	Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
	1 January 2022	Increase of investment	Decrease of investment	Changes in fair value	Others			
Other equity instrument investments	11,621,685	1,759,647	(1,140,439)	(291,314)	(9,528)	11,940,051	99,537	646,853

As at 31 December 2023, a portion of other equity instrument investments held by the Group has been derecognised due to disposal. Accumulated gains transferred to retained earnings due to derecognition are amounted to RMB57,749,000 (31 December 2022: RMB4,012,000).

As at 31 December 2023, the Group's significant listed companies' equity instrument investments designated as those at fair value through other comprehensive income are as follows:

RMB'000

Item	31 December 2023	31 December 2022	Reasons for designated at fair value through other comprehensive income
SDIC Capital (600061)	624,852	592,405	Long-term equity investments for strategic purposes
Times Electric (688187)	356,034	534,786	Long-term equity investments for strategic purposes
Tongling Nonferrous (000630)	246,788	234,749	Long-term equity investments for strategic purposes

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties

Subsequent measurement under cost method

2023:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2023	11,759,746	11,759,746
Increase	2,405,017	2,405,017
Additions	598,659	598,659
Transferred in from inventories	1,589,591	1,589,591
Transferred in from fixed assets	110,320	110,320
Transferred in from construction in progress	22,832	22,832
Transferred in from intangible assets	83,615	83,615
Decrease	699,330	699,330
Disposal	632,235	632,235
Others	67,095	67,095
31 December 2023	13,465,433	13,465,433
II. Accumulated depreciation and amortisation		
1 January 2023	1,574,348	1,574,348
Increase	379,832	379,832
Provision	327,347	327,347
Transferred in from fixed assets	35,828	35,828
Transferred in from intangible assets	16,657	16,657
Decrease	114,817	114,817
Disposal	97,485	97,485
Others	17,332	17,332
31 December 2023	1,839,363	1,839,363

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2023: (Continued)

RMB'000

	Buildings and land use right	Total
III. Provision for impairment		
1 January 2023	287,056	287,056
Increase	28,548	28,548
Provision	18,609	18,609
Other increases	9,939	9,939
Decrease	88,980	88,980
Disposal	88,980	88,980
31 December 2023	226,624	226,624
IV. Carrying amount		
Closing balance	11,399,446	11,399,446
Opening balance	9,898,342	9,898,342

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2022:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2022	9,586,037	9,586,037
Increase	3,273,182	3,273,182
Additions	394,019	394,019
Transferred in from inventories	1,028,601	1,028,601
Transferred in from fixed assets	323,856	323,856
Transferred in from construction in progress	1,526,706	1,526,706
Decrease	1,099,473	1,099,473
Disposal	934,478	934,478
Other decreases	164,995	164,995
31 December 2022	11,759,746	11,759,746
II. Accumulated depreciation and amortisation		
1 January 2022	1,299,693	1,299,693
Increase	297,470	297,470
Provision	280,835	280,835
Transferred in from fixed assets	16,635	16,635
Decrease	22,815	22,815
Disposal	15,824	15,824
Other decreases	6,991	6,991
31 December 2022	1,574,348	1,574,348

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2022: (Continued)

		<i>RMB'000</i>
	Buildings and land use right	Total
III. Provision for impairment		
1 January 2022	276,696	276,696
Provision	21,259	21,259
Decrease	10,899	10,899
31 December 2022	287,056	287,056
IV. Carrying amount		
Closing balance	9,898,342	9,898,342
Opening balance	8,009,648	8,009,648

As at 31 December 2023, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB32,134,000 (31 December 2022: Nil). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
Increase	4,791,180	5,524,467	1,482,579	15,812,453	27,610,679
Additions	697,211	4,742,578	1,395,551	13,512,736	20,348,076
Transferred in from construction in progress	4,046,226	693,512	82,724	2,297,200	7,119,662
Transferred in from right-of-use assets	–	88,377	–	–	88,377
Other increases	47,743	–	4,304	2,517	54,564
Decrease	307,085	5,785,412	1,359,201	8,114,153	15,565,851
Disposal or retirement	196,765	3,801,977	866,597	7,976,103	12,841,442
Transferred out to construction in progress	–	1,117,430	–	–	1,117,430
Transferred out to investment properties	110,320	–	–	–	110,320
Other decreases	–	866,005	492,604	138,050	1,496,659
31 December 2023	33,501,341	53,654,595	16,746,401	74,270,557	178,172,894
II. Accumulated depreciation					
1 January 2023	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259
Increase	1,060,222	3,669,020	1,431,926	11,011,602	17,172,770
Provision	1,052,423	3,669,020	1,428,098	11,011,090	17,160,631
Other increases	7,799	–	3,828	512	12,139
Decrease	209,575	4,360,297	1,136,030	6,640,708	12,346,610
Disposal or retirement	173,747	3,016,717	772,767	6,580,424	10,543,655
Transferred out to construction in progress	–	691,014	–	–	691,014
Transferred out to investment properties	35,828	–	–	–	35,828
Other decreases	–	652,566	363,263	60,284	1,076,113
31 December 2023	7,631,423	31,501,806	13,077,687	52,471,503	104,682,419

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets

2023: (Continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2023	90,131	71,544	725	23,608	186,008
Provision	8,430	53,147	–	–	61,577
Disposal or retirement	4,968	20,845	–	–	25,813
Other decreases	783	–	–	–	783
31 December 2023	92,810	103,846	725	23,608	220,989
IV. Carrying amount					
31 December 2023	25,777,108	22,048,943	3,667,989	21,775,446	73,269,486
1 January 2023	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

2022:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2022	26,766,460	51,022,790	15,710,220	60,581,405	154,080,875
Increase	2,866,369	6,594,964	1,772,731	12,633,524	23,867,588
Additions	519,089	3,172,491	1,306,041	11,735,410	16,733,031
Transferred in from construction in progress	2,227,463	2,230,924	346,839	793,443	5,598,669
Transferred in from right-of-use assets	–	395,238	48,250	–	443,488
Other increases	119,817	796,311	71,601	104,671	1,092,400
Decrease	615,583	3,702,214	859,928	6,642,672	11,820,397
Disposal or retirement	255,484	2,568,267	744,366	6,611,955	10,180,072
Transferred out to construction in progress	3,208	1,133,884	109,768	16,368	1,263,228
Transferred out to investment properties	323,856	–	–	–	323,856
Other decreases	33,035	63	5,794	14,349	53,241
31 December 2022	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
II. Accumulated depreciation					
1 January 2022	6,117,492	30,727,249	12,099,659	43,795,111	92,739,511
Increase	864,361	3,973,240	1,450,930	10,501,091	16,789,622
Provision	850,833	3,879,385	1,409,132	10,445,597	16,584,947
Other increases	13,528	93,855	41,798	55,494	204,675
Decrease	201,077	2,507,406	768,798	6,195,593	9,672,874
Disposal or retirement	167,628	1,987,192	693,927	6,170,298	9,019,045
Transferred out to construction in progress	1,485	520,154	71,199	12,236	605,074
Other decreases	31,964	60	3,672	13,059	48,755
31 December 2022	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (Continued)

2022: (Continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2022	77,580	71,544	725	23,843	173,692
Provision	3,022	–	–	–	3,022
Others	9,529	–	–	(235)	9,294
31 December 2022	90,131	71,544	725	23,608	186,008
IV. Carrying amount					
31 December 2022	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799
1 January 2022	20,571,388	20,223,997	3,609,836	16,762,451	61,167,672

The restricted fixed assets of the Group are stated in Note V. 67.

As at 31 December 2023, the Group had no significant fixed assets that were temporarily idle (31 December 2022: Nil).

As at 31 December 2023, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB1,738,325,000 (31 December 2022: RMB1,335,433,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress

RMB'000

Item	31 December 2023			31 December 2022		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	1,255,481	–	1,255,481	1,112,895	–	1,112,895
CRCC South China Headquarters Building Project	945,150	–	945,150	836,141	–	836,141
Jingjiang Bridge Science and Technology Industrial Park	226,214	–	226,214	105,457	–	105,457
CRCC Port and Shipping Project	203,192	–	203,192	30,318	–	30,318
Shield Machine Remanufacturing Project of CRCC Bridge Engineering Bureau Group 2nd Engineering Co., Ltd.	139,649	–	139,649	–	–	–
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	135,754	–	135,754	1,627	–	1,627
Headquarter Buildings in Addis Ababa Ethiopia	135,427	–	135,427	81,363	–	81,363
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	133,484	–	133,484	–	–	–
New Industry Manufacturing Changsha Base Phase I Project	115,175	–	115,175	14,487	–	14,487
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	111,212	–	111,212	67,194	–	67,194
Others	2,419,540	9,563	2,409,977	5,353,252	9,563	5,343,689
Total	5,820,278	9,563	5,810,715	7,602,734	9,563	7,593,171

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

2023:

RMB'000

Item	Budget	1 January 2023	Additions	Transfer out	Others	31 December 2023	Source of funds	Proportion of investment to budget (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	1,431,217	1,112,895	142,586	-	-	1,255,481	Self-funding/loan	88
CRCC South China Headquarters Building Project	2,104,200	836,141	109,009	-	-	945,150	Self-funding/loan	45
Jingjiang Bridge Science and Technology Industrial Park	596,502	105,457	120,757	-	-	226,214	Self-funding/loan	38
CRCC Port and Shipping Project	744,510	30,318	172,874	-	-	203,192	Self-funding/loan	27
Shield Machine Remanufacturing Project of CRCC Bridge Engineering Bureau Group 2nd Engineering Co., Ltd.	142,925	-	139,649	-	-	139,649	Self-funding	98
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	1,627	134,127	-	-	135,754	Self-funding	31
Headquarter Buildings in Addis Ababa Ethiopia	154,475	81,363	54,064	-	-	135,427	Self-funding	88
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	-	133,484	-	-	133,484	Self-funding	27
New Industry Manufacturing Changsha Base Phase I Project	499,200	14,487	100,688	-	-	115,175	Self-funding	23
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	151,748	67,194	44,018	-	-	111,212	Self-funding	73
Others	-	5,353,252	4,429,322	7,273,258	(89,776)	2,419,540	Self-funding/loan	-
Total	-	7,602,734	5,580,578	7,273,258	(89,776)	5,820,278	-	-
Less: Provision for impairment	-	9,563	-	-	-	9,563	-	-
Net value at the end of the year	-	7,593,171	5,580,578	7,273,258	(89,776)	5,810,715	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

2022:

							RMB'000
Item	Budget	1 January 2022	Additions	Transfer out	31 December 2022	Source of funds	Proportion of investment to budget (%)
CRCC Shanghai Lingang Jiayuan Project	2,110,902	410,815	853,556	–	1,264,371	Self-funding/loan	60
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	2,056,000	892,495	220,400	–	1,112,895	Self-funding/loan	54
CRCC South China Headquarters Building Project	2,214,513	784,058	52,083	–	836,141	Self-funding/loan	38
Public Wharf of Qiwei Operating Area, Taixing Port Area, Taizhou Port	662,233	374,466	172,419	–	546,885	Self-funding	83
CRCC Cloud Data Center Computer Room Construction Project	400,000	352,020	–	–	352,020	Self-funding	88
Xi'an Engineering Dispatching Building Project	184,670	120,721	23,128	–	143,849	Self-funding	78
Pingyao Wisdom City Cloud Data Center	174,876	68,837	69,343	–	138,180	Self-funding	79
Yanzhou International Land Port Multimodal Transport Logistics Park Project	270,723	90,838	34,821	–	125,659	Self-funding	46
Renovation Project of Yuqian Railway S-1050 Shield Machine	172,610	–	118,610	–	118,610	Self-funding	69
Others	–	6,189,161	3,964,396	7,189,433	2,964,124	Self-funding/loan	–
Total	–	9,283,411	5,508,756	7,189,433	7,602,734	–	–
Less: Provision for impairment	–	9,563	–	–	9,563	–	–
Net value at the end of the year	–	9,273,848	5,508,756	7,189,433	7,593,171	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

For the year ended 31 December 2023, construction in progress with a carrying amount of RMB7,119,662,000 (2022: RMB5,598,669,000), RMB130,764,000 (2022: RMB63,650,000) and RMB22,832,000 (2022: RMB1,526,706,000) had been transferred to fixed assets, intangible assets and investment properties respectively.

The restricted construction in progress of the Group are stated in Note V. 67.

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows:

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023	Interest capitalised during the year	Capitalisation rate during the year (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	88	33,994	15,089	3.86
CRCC South China Headquarters Building Project	45	31,348	19,203	3.38
CRCC Port and Shipping Project	27	1,780	1,780	3.70
Jingjiang Bridge Science and Technology Industrial Park	38	17,050	17,050	3.99
Others	–	21,171	174,208	–
Total	–	105,343	227,330	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (Continued)

2022:

RMB'000

Item	Progress as at 31 December 2022 (%)	Capitalised amount of borrowing costs as at 31 December 2022	Interest capitalised during the year	Capitalisation rate during the year (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	54	18,905	10,700	4.58
CRCC Shanghai Lingang Jiayuan Project	60	9,801	7,648	3.15
CRCC South China Headquarters Building Project	38	12,145	12,145	3.68
Total	–	40,851	30,493	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	4,103,363	5,088,933	601,419	216,527	10,010,242
Additions	2,655,103	1,613,744	122,537	175,850	4,567,234
Disposal or retirement	777,797	1,435,368	44,013	32,719	2,289,897
31 December 2023	5,980,669	5,267,309	679,943	359,658	12,287,579
II. Accumulated depreciation					
1 January 2023	1,840,661	2,563,660	375,573	75,991	4,855,885
Provision	1,091,130	916,195	140,060	74,607	2,221,992
Disposal or retirement	491,327	1,366,082	43,518	30,071	1,930,998
31 December 2023	2,440,464	2,113,773	472,115	120,527	5,146,879
III. Carrying amount					
Closing balance	3,540,205	3,153,536	207,828	239,131	7,140,700
Opening balance	2,262,702	2,525,273	225,846	140,536	5,154,357

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets (Continued)

2022:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2022	3,395,225	6,370,704	640,547	168,638	10,575,114
Additions	1,267,961	1,051,665	38,732	75,814	2,434,172
Disposal or retirement	559,823	2,333,436	77,860	27,925	2,999,044
31 December 2022	4,103,363	5,088,933	601,419	216,527	10,010,242
II. Accumulated depreciation					
1 January 2022	1,355,144	3,017,347	252,710	42,888	4,668,089
Provision	831,681	1,118,345	143,610	42,647	2,136,283
Disposal or retirement	346,164	1,572,032	20,747	9,544	1,948,487
31 December 2022	1,840,661	2,563,660	375,573	75,991	4,855,885
III. Carrying amount					
Closing balance	2,262,702	2,525,273	225,846	140,536	5,154,357
Opening balance	2,040,081	3,353,357	387,837	125,750	5,907,025

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets

2023:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2023	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
Increase	374,991	7,910,560	413,177	447,675	9,146,403
Additions	374,991	7,640,909	282,377	447,675	8,745,952
Acquisition of subsidiaries	–	186,319	36	–	186,355
Transferred in from construction in progress	–	–	130,764	–	130,764
Other increases	–	83,332	–	–	83,332
Decrease	247,616	–	61,726	48,554	357,896
Disposal or retirement	164,001	–	61,726	48,554	274,281
Other decreases	83,615	–	–	–	83,615
31 December 2023	9,295,728	66,832,816	1,739,925	2,121,434	79,989,903
II. Accumulated amortisation					
1 January 2023	1,947,968	3,766,111	891,867	753,532	7,359,478
Increase	233,887	1,015,755	253,790	110,414	1,613,846
Provision	233,887	997,898	253,790	110,414	1,595,989
Other increases	–	17,857	–	–	17,857
Decrease	69,952	–	48,348	25,214	143,514
Disposal or retirement	53,295	–	48,348	25,214	126,857
Other decreases	16,657	–	–	–	16,657
31 December 2023	2,111,903	4,781,866	1,097,309	838,732	8,829,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets

2023: (Continued)

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
III. Provision for impairment					
1 January 2023	9,043	1,060,130	–	242,003	1,311,176
Provision	–	–	–	112,459	112,459
31 December 2023	9,043	1,060,130	–	354,462	1,423,635
IV. Carrying amount					
Closing balance	7,174,782	60,990,820	642,616	928,240	69,736,458
Opening balance	7,211,342	54,096,015	496,607	726,778	62,530,742

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

2022:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2022	8,759,558	64,136,600	1,130,602	1,608,012	75,634,772
Increase	631,920	13,635,096	293,546	188,696	14,749,258
Additions	631,920	11,394,303	234,747	183,792	12,444,762
Acquisition of subsidiaries	–	1,743,463	–	–	1,743,463
Other increases	–	497,330	58,799	4,904	561,033
Decrease	223,125	18,849,440	35,674	74,395	19,182,634
Disposal or retirement	174,907	121,221	35,674	74,395	406,197
Disposal of subsidiaries	–	18,728,219	–	–	18,728,219
Other decreases	48,218	–	–	–	48,218
31 December 2022	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
II. Accumulated amortisation					
1 January 2022	1,808,791	3,036,253	710,418	583,898	6,139,360
Increase	193,990	866,491	212,049	246,396	1,518,926
Provision	193,990	866,491	212,049	246,396	1,518,926
Decrease	54,813	136,633	30,600	76,762	298,808
Disposal or retirement	54,813	118,845	30,600	76,762	281,020
Disposal of subsidiaries	–	17,788	–	–	17,788
31 December 2022	1,947,968	3,766,111	891,867	753,532	7,359,478

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

2022: (Continued)

Item					
	Land use rights	Concession rights	Software licenses	Mining rights and others	<i>RMB'000</i> Total
III. Provision for impairment					
1 January 2022	9,043	1,060,130	–	165,080	1,234,253
Provision	–	–	–	76,923	76,923
31 December 2022	9,043	1,060,130	–	242,003	1,311,176
IV. Carrying amount					
Closing balance	7,211,342	54,096,015	496,607	726,778	62,530,742
Opening balance	6,941,724	60,040,217	420,184	859,034	68,261,159

As at 31 December 2023, intangible assets recognised through internal research and development account for 0.06% of the closing balance of intangible assets (31 December 2022: 0.01%).

The restricted intangible assets of the Group are stated in Note V. 67.

As at 31 December 2023, the Group was in the process of applying for the title certificates of certain parcels of its land in the PRC with an aggregate carrying amount of RMB60,675,000 (31 December 2022: RMB225,903,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such land, and also of the opinion that the matter did not have any significant adverse impact on the Group's financial position as at 31 December 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows:

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023 (Note)	Interest capitalised during the year	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,125,187	—	—
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	483,987	—	—
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	99	225,682	108,134	3.45
Guizhou Anshun to Ziyun Highway Project concession rights	100	154,716	—	—
Guangxi Nanyuzhu Highway Yuheng Section concession rights	72	149,123	122,892	3.08
Henan Lanyuan Expressway Project concession rights	98	138,706	13,146	3.64
Yusui Highway Project concession rights	100	77,570	—	—
Chongqing rail transit Jiangtiao Line construction project concession rights	100	57,368	—	—
Beijing New Airport North Line Highway project	100	56,192	—	—
Others	—	211,087	67,537	—
Total	—	2,679,618	311,709	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (Continued)

2022:

RMB'000

Item	Progress as at 31 December 2022 (%)	Capitalised amount of borrowing costs as at 31 December 2022 (Note)	Interest capitalised during the year	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,151,795	–	–
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	546,609	–	–
Yusui Highway Project concession rights	100	192,971	–	–
Guizhou Anshun to Ziyun Highway Project concession rights	100	165,669	–	–
Henan Lanyuan Expressway Project concession rights	96	125,560	80,161	4.06
Beijing New Airport North Line Highway project	100	64,976	5,023	3.95
Chongqing rail transit Jiangtiao Line construction project concession rights	100	60,328	40,440	3.73
Others	–	223,750	63,844	–
Total	–	2,531,658	189,468	–

Note: It is accumulated during the construction of the concession rights and will be amortised according to the expected realisation of the economic benefits of the project during its operation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill

2023:

Original costs

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	399,073	–	–	23,760	422,833
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	533,570	–	–	23,760	557,330

Provision for impairment

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	313,378	91,036	–	18,419	422,833
Acquisition of CIDEON Company (Note 2)	56,674	22,206	–	–	78,880
Total	370,052	113,242	–	18,419	501,713

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2023: (Continued)

Net value of goodwill

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	85,695	–	91,036	5,341	–
Acquisition of CIDEON Company (Note 2)	34,695	–	22,206	–	12,489
Others	43,128	–	–	–	43,128
Total	163,518	–	113,242	5,341	55,617

2022:

Original costs

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company (Note 1)	388,149	–	–	10,924	399,073
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	522,646	–	–	10,924	533,570

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2022: (Continued)

Provision for impairment

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company (Note 1)	115,511	194,616	–	3,251	313,378
Acquisition of CIDEON Company (Note 2)	47,636	9,038	–	–	56,674
Total	163,147	203,654	–	3,251	370,052

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2022: (Continued)

Net value of goodwill

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company (<i>Note 1</i>)	272,638	–	194,616	7,673	85,695
Acquisition of CIDEON Company (<i>Note 2</i>)	43,733	–	9,038	–	34,695
Others	43,128	–	–	–	43,128
Total	359,499	–	203,654	7,673	163,518

Note 1: The goodwill of EUR 54,670,000 was acquired in the business combination involving entities not under common control of GRUPO ALDESA, S.A. on 8 May 2020. In 2023, the Group recognised impairment of the goodwill of EUR 11,580,000, accumulated impairment of EUR 54,670,000 (2022: recognised impairment of the goodwill of EUR 26,220,000).

Note 2: On 29 February 2016, the Group purchased CIDEON Engineering GmbH&Co.KG, CIDEON Engineering Verwaltungs GmbH and CIDEON Schweiz AG (collectively referred to as "CIDEON Company"), which is a business combination involving entities not under common control and resulted in the increase in goodwill by EUR 11,710,000. In 2023, the Group recognised impairment of the goodwill of EUR 2,830,000 accumulated impairment of EUR 10,040,000 (2022: recognised impairment of the goodwill of EUR 1,220,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities

RMB'000

Item	31 December 2023		31 December 2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences (restated)	Deferred tax assets (restated)
Deferred tax assets				
Provision for long-term post-leaving benefits	91,393	17,850	119,321	24,514
Provision for impairment of credit and assets	35,127,556	6,272,952	27,291,092	4,849,872
Deductible tax losses	5,299,868	1,296,557	3,645,071	887,364
Lease liabilities	5,105,216	1,016,877	2,279,489	424,530
Revaluation surplus from restructuring	1,155,432	288,858	1,180,896	292,930
Unrealised profits of intra-group transactions	8,230,341	1,866,254	7,230,176	1,558,174
Changes in fair value of other equity instrument investments	131,883	26,746	118,549	19,245
Interest expenses that can be carried forward for deduction	703,912	175,978	692,209	173,052
Others	8,558,936	1,721,197	8,427,645	1,655,449
Total	64,404,537	12,683,269	50,984,448	9,885,130

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

RMB'000

Item	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences (restated)	Deferred tax liabilities (restated)
Deferred tax liabilities				
Right-of-use assets	5,631,994	1,106,812	2,862,025	520,341
Changes in fair value of other equity instrument investments	1,237,793	230,969	1,360,596	235,224
Asset appreciation from appraisal for business combinations involving entities not under common control	391,297	97,824	316,684	79,171
Book-tax temporary differences for revenue recognition	4,995,849	1,318,904	3,918,918	1,046,440
Others	3,325,349	725,451	2,194,320	525,764
Total	15,582,282	3,479,960	10,652,543	2,406,940

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

RMB'000

Item	Offset amount between deferred tax assets and liabilities at the end of the year	Closing balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities at the beginning of the year (restated)	Opening balance of deferred tax assets or liabilities after offset (restated)
Deferred tax assets	1,471,357	11,211,912	782,107	9,103,023
Deferred tax liabilities	1,471,357	2,008,603	782,107	1,624,833

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

RMB'000

Item	31 December 2023	31 December 2022 (restated)
Deductible temporary differences	14,316,726	11,904,781
Deductible tax losses	23,172,034	20,931,229
Total	37,488,760	32,836,010

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

Deductible losses, for which no deferred tax assets are recognised, will expire in the following years:

		<i>RMB'000</i>
Year	31 December 2023	31 December 2022
2023	—	2,973,276
2024	1,927,158	2,343,634
2025	3,452,708	3,459,570
2026	4,865,996	4,923,543
2027	4,652,072	5,089,955
2028	6,200,188	294,123
2029	185,955	267,110
2030	857,374	857,374
2031	427,993	427,993
2032	294,077	294,651
2033	308,513	—
Total	23,172,034	20,931,229

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets

RMB'000

Item	31 December 2023	31 December 2022
Retention receivables	77,647,914	72,427,749
Contract assets derived from land development receivables and other project receivables	47,428,493	40,678,129
Others	6,413,083	4,070,364
Subtotal	131,489,490	117,176,242
Less: Current portion of other non-current assets (Note V. 10)	7,533,560	9,005,004
Total	123,955,930	108,171,238

The restricted other non-current assets of the Group are stated in Note V. 67.

Contract assets and provision for impairment of assets in other non-current assets are disclosed by category as follows:

RMB'000

Category	Gross carrying amount		31 December 2023 Provision for impairment of assets		Carrying amount
	Amount	Percentage %	Amount	Provision percentage %	
Provision for impairment of assets assessed individually	6,013,051	4.71	1,929,165	32.08	4,083,886
Provision for impairment of assets assessed by credit risk portfolio	121,763,841	95.29	771,320	0.63	120,992,521
Total	127,776,892	100.00	2,700,485	2.11	125,076,407

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets (Continued)

Movements of contract assets and provision for impairment of assets in other non-current assets are as follows:

RMB'000

Item	31 December 2022	Provision	Reversal	Others	31 December 2023
Provision for impairment of assets	2,464,951	585,743	339,378	(10,831)	2,700,485

As at 31 December 2023, contract assets in other non-current assets with provision for impairment of assets assessed individually are as follows:

RMB'000

Company name	31 December 2023 Gross carrying amount	31 December 2023 Provision for impairment of assets	Provision percentage %	Reason
Company 1	1,219,331	109,306	8.96	Note
Company 2	563,149	30,221	5.37	Note
Company 3	304,121	95,442	31.38	Note
Company 4	81,556	11,970	14.68	Note
Company 5	63,556	13,336	20.98	Note
Others	3,781,338	1,668,890	44.13	–
Total	6,013,051	1,929,165	32.08	–

Note: According to the recoverability of other non-current assets, the Group recorded impairment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets (Continued)

As at 31 December 2023, contract assets in other non-current assets whose impairment of credit losses were assessed by credit risk portfolio (Note VIII. 3) are as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount	Provision proportion %
Portfolio 1	84,911,993	434,672	0.51
Portfolio 2	7,193,534	38,607	0.54
Portfolio 3	7,694,703	38,297	0.50
Portfolio 4	21,963,611	259,744	1.18
Total	121,763,841	771,320	0.63

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Short-term loans

RMB'000

Item	31 December 2023	31 December 2022
Credit loans	76,839,215	47,492,300
Guaranteed loans (Note 3)	1,498,950	3,243,900
Pledged loans (Note 1 and Note 2)	3,501,593	631,362
Total	81,839,758	51,367,562

Note 1: As at 31 December 2023, short-term loans with a carrying amount of RMB3,501,593,000 (31 December 2022: RMB607,512,000) were secured by the pledge of the Group's trade receivables and all the interests and gains under the contracts thereof with a carrying amount of RMB3,501,593,000 (31 December 2022: RMB607,512,000).

Note 2: As at 31 December 2023, short-term loans with a carrying amount of Nil (31 December 2022: RMB23,850,000) were secured by the pledge of the Group's bills receivable with a carrying amount of Nil (31 December 2022: RMB23,850,000).

Note 3: As at 31 December 2023 and 31 December 2022, all guaranteed loans were guaranteed by the entities comprising the Group.

As at 31 December 2023, annual interest rates of above short-term loans ranged from 1.45% to 8.50% (31 December 2022: 1.70% to 7.03%).

As at 31 December 2023, the Group had no overdue short-term loans (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Due to customers

RMB'000

Item	31 December 2023	31 December 2022
Due to customers	1,356,691	3,168,603

29. Bills payable

RMB'000

Item	31 December 2023	31 December 2022
Bank acceptance bills	40,359,706	62,865,413
Commercial acceptance bills	13,101,536	26,741,929
Total	53,461,242	89,607,342

As at 31 December 2023, the Group had no unpaid overdue bills payable (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Trade payables

Aging of trade payables is listed as follows:

RMB'000

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

As at 31 December 2023, trade payables aged over one year amounted to RMB9,661,999,000 (31 December 2022: RMB9,406,470,000), primarily consisted of payables for construction contracts and materials. Since the progress of relevant projects had not reached the point of payments, these trade payables had not been settled.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities

RMB'000

Item	31 December 2023	31 December 2022
Advances for construction operations	77,398,274	80,669,972
Advances for the sale of properties (Note)	67,719,450	78,267,582
Advances for the sale of materials	3,266,407	2,970,798
Advances for the sale of goods	825,717	1,013,812
Others	986,454	1,196,623
Total	150,196,302	164,118,787

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (Continued)

Note: Details of advances for the sale of properties are listed as follows:

RMB'000

Project name	31 December 2023	Percentage of accumulated pre-sales as at 31 December 2023 (%)	Estimated completion date
Wenzhou Lucheng Future Community	6,034,595	94	March 2024
Xingyue Yunjian Project	4,825,448	94	October 2024
Chengdu Qingyang City Park Junior Project	4,151,744	90	December 2024
Shanghai Jindi Jiayuan Project	3,987,865	100	December 2023
Shanghai Riverside Mansion Project	2,468,650	25	October 2025
Chengdu Wuhou City Park Junior Project	2,212,711	83	June 2024
Xipai Chengyang Project	2,206,623	95	December 2024
CRCC Huayutang Project	1,868,461	27	December 2024
Jinyue Mingdi Project	1,846,759	89	December 2024
Hangzhou Lakeside Mansion Project	1,758,194	99	October 2024
Xipai Tangyue Project	1,527,480	80	December 2024
Xi'an CRCC International City III Project	1,524,759	94	June 2024
Chenyue International Project	1,453,742	95	July 2024
Suzhou Chefang Project	1,343,602	18	January 2025
Tiejian City Project	1,287,024	20	December 2024
Huayu Tianchen Project	1,180,821	25	July 2024
Haiyu East Coast Project	1,073,551	76	May 2024
Wuhan CRCC International City III Project	1,055,894	43	December 2024
Chongqing Shanyu Taoyuan Project	990,475	20	October 2024
Xi'an CRCC International City II Project	987,509	96	June 2024
Others	23,933,543	—	—
Total	67,719,450	—	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (Continued)

As at the balance sheet date, significant contract liabilities aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	31 December 2023	Reasons
Company 1	Third party	615,488	Work performed but not billed
Company 2	Third party	566,565	Work performed but not billed
Company 3	Third party	281,073	Work performed but not billed
Company 4	Third party	275,854	Work performed but not billed
Company 5	Third party	202,999	Work performed but not billed
Total	—	1,941,979	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Short-term benefits	11,738,521	73,412,704	71,609,316	13,541,909
Post-employment benefits (defined contribution plans)	2,168,216	8,984,873	8,577,565	2,575,524
Total	13,906,737	82,397,577	80,186,881	16,117,433

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Short-term benefits	10,440,532	71,526,484	70,228,495	11,738,521
Post-employment benefits (defined contribution plans)	1,740,572	8,544,918	8,117,274	2,168,216
Total	12,181,104	80,071,402	78,345,769	13,906,737

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Short-term benefits:

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Salaries, bonuses, allowances and subsidies	8,035,885	50,677,931	49,664,270	9,049,546
Staff welfare	—	4,812,981	4,812,981	—
Social insurance	1,302,419	4,661,509	4,424,366	1,539,562
Including: Medical insurance	1,144,269	4,217,786	3,990,996	1,371,059
Work injury insurance	116,099	348,225	336,185	128,139
Maternity insurance	42,051	95,498	97,185	40,364
Housing funds	994,463	4,690,939	4,511,613	1,173,789
Union fund and employee education fund	745,917	1,488,537	1,418,229	816,225
Others	659,837	7,080,807	6,777,857	962,787
Total	11,738,521	73,412,704	71,609,316	13,541,909

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Short-term benefits: (Continued)

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Salaries, bonuses, allowances and subsidies	7,282,318	49,108,099	48,354,532	8,035,885
Staff welfare	–	4,513,933	4,513,933	–
Social insurance	1,066,770	4,440,703	4,205,054	1,302,419
Including: Medical insurance	927,671	4,031,291	3,814,693	1,144,269
Work injury insurance	98,831	328,977	311,709	116,099
Maternity insurance	40,268	80,435	78,652	42,051
Housing funds	773,898	4,225,237	4,004,672	994,463
Union fund and employee education fund	683,303	1,239,814	1,177,200	745,917
Others	634,243	7,998,698	7,973,104	659,837
Total	10,440,532	71,526,484	70,228,495	11,738,521

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Defined contribution plan:

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Basic pension insurance	1,491,523	6,505,311	6,273,838	1,722,996
Unemployment insurance	91,267	247,255	233,206	105,316
Supplementary pension insurance	585,426	2,232,307	2,070,521	747,212
Total	2,168,216	8,984,873	8,577,565	2,575,524

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Basic pension insurance	1,192,473	6,150,281	5,851,231	1,491,523
Unemployment insurance	83,415	223,863	216,011	91,267
Supplementary pension insurance	464,684	2,170,774	2,050,032	585,426
Total	1,740,572	8,544,918	8,117,274	2,168,216

Defined contribution plan includes basic pension insurance and unemployment insurance managed by local governments and the Group's supplementary pension insurance. In addition to the monthly payments, the Group is no longer liable for further payments. Relevant expenditures are capitalised or expensed in the period when incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Taxes payable

RMB'000

Item	31 December 2023	31 December 2022
EIT	4,279,976	3,320,134
VAT	2,326,120	3,525,500
Others	2,453,181	2,091,257
Total	9,059,277	8,936,891

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables

RMB'000

Item	31 December 2023	31 December 2022
Payables for advances	35,267,909	33,556,384
Guarantees and deposits	31,249,355	29,152,849
Amounts due to related parties	17,933,942	12,986,906
Amounts due to partners	3,729,513	4,323,982
Dividends payable	1,137,603	1,064,805
Others	16,739,815	19,443,961
Total	106,058,137	100,528,887

As at 31 December 2023, significant other payables aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	31 December 2023	Reasons
Company 1	Third Party	854,402	Payables not settled
Company 2	Third Party	248,275	Payables not settled
Company 3	Third Party	174,187	Payables not settled
Company 4	Third Party	124,604	Payables not settled
Company 5	Third Party	100,554	Payables not settled
Total	—	1,502,022	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Current portion of non-current liabilities

RMB'000

Item	31 December 2023	31 December 2022
Current portion of long-term loans (<i>Note V. 37</i>)	32,205,519	20,131,882
Current portion of bonds payable (<i>Note V. 38</i>)	12,173,678	17,098,279
Current portion of long-term payables	7,732,647	6,369,715
Current portion of lease liabilities (<i>Note V. 39</i>)	2,106,473	1,694,787
Current portion of provisions	224,184	194,129
Current portion of post-employment benefits payable	26,017	39,003
Total	54,468,518	45,527,795

The current portion of long-term loans is presented as follows:

RMB'000

Item	31 December 2023	31 December 2022
Credit loans	20,912,845	14,627,311
Guaranteed loans (<i>Note V. 37 (Note 8)</i>)	2,386,436	1,962,563
Mortgaged loans (<i>Note V. 37 (Note 4, 5, 7)</i>)	4,482,925	2,445,305
Pledged loans (<i>Note V. 37 (Note 1, 2, 3)</i>)	4,423,313	1,096,703
Total	32,205,519	20,131,882

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Other current liabilities

RMB'000

Item	31 December 2023	31 December 2022
Amounts to be transferred to output VAT	33,419,043	30,397,119
Short-term unsecured financing bonds (Note 1)	—	419,247
Others	275,743	777,731
Total	33,694,786	31,594,097

Note 1: Short-term unsecured financing bonds bear a fixed interest rate. The principal and interest will be repaid at the end of the term upon issuance and repayment of principal and interest at maturity.

The movement of short-term unsecured financing bonds is listed as follows:

RMB'000

Bond name	Par value	Issuance date	Bond term	Opening balance	Net amount of issuance during the year	Interests accrued	Amortisation of discounts and premium and effects of exchange rate	Repayment of principal and interest for the year	Closing balance
CRCC super short-term commercial paper Phase I in 2023	RMB3 billion	12 April 2023	77 days	—	3,000,000	13,822	—	3,013,822	—
CRCC super short-term commercial paper Phase II in 2023	RMB3 billion	13 April 2023	75 days	—	3,000,000	13,525	—	3,013,525	—
Aldeasa Agrupación Empresarial, S.A.U. EUR28.05 million short-term commercial bills	EUR 28.05 million	8 June 2022	12 months	201,690	—	—	6,593	208,283	—
Others	—	—	—	217,557	—	—	1,752	219,309	—
Total	—	—	—	419,247	6,000,000	27,347	8,345	6,454,939	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans

RMB'000

Item	31 December 2023	31 December 2022
Pledged loans (Note 1, Note 2, Note 3,)	46,162,594	38,557,624
Mortgaged loans (Note 4, Note 5, Note 6, Note 7)	23,030,661	24,220,319
Guaranteed loans (Note 8)	8,844,955	11,105,099
Credit loans	87,583,268	59,532,386
Total	165,621,478	133,415,428

Note 1: As at 31 December 2023, long-term loans with a carrying amount of RMB31,447,659,000, including current portion of long-term loans of RMB516,497,000 (31 December 2022: RMB29,260,863,000, including current portion of long-term loans of RMB440,030,000) were secured by pledges of the Group's concession rights with a carrying amount of RMB44,149,387,000 (31 December 2022: RMB43,200,375,000).

Note 2: As at 31 December 2023, long-term loans with a carrying amount of RMB6,102,222,000 including current portion of long-term loans of RMB2,260,244,000 (31 December 2022: RMB832,670,000, including current portion of long-term loans of RMB1,781,000) were secured by pledge of the Group's trade receivables with a carrying amount of RMB6,118,285,000 (31 December 2022: RMB1,150,368,000).

Note 3: As at 31 December 2023, long-term loans with a carrying amount of RMB13,036,026,000 including current portion of long-term loans of RMB1,646,572,000 (31 December 2022: RMB9,560,794,000, including current portion of long-term loans of RMB654,892,000) were secured by pledges of the Group's contract assets of primary land development and other projects with a carrying amount of RMB14,856,837,000 (31 December 2022: the Group's contract assets of primary land development and other projects RMB14,937,347,000), and long-term receivables RMB5,435,799,000 (31 December 2022: RMB1,177,072,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (Continued)

- Note 4:* As at 31 December 2023, long-term loans with a carrying amount of RMB1,522,817,000, including current portion of long-term loans of RMB63,087,000 (31 December 2022: RMB828,087,000, including current portion of long-term loans of RMB3,124,000) were secured by mortgages of the Group's fixed assets with a carrying amount of RMB2,955,270,000 (31 December 2022: RMB2,636,141,000).
- Note 5:* As at 31 December 2023, long-term loans with a carrying amount of RMB24,393,987,000, including current portion of long-term loans of RMB4,200,338,000 (31 December 2022: RMB23,939,079,000, including current portion of long-term loans of RMB2,421,591,000) were secured by mortgages of the Group's inventories with a carrying amount of RMB45,687,542,000 (31 December 2022: RMB59,933,128,000).
- Note 6:* As at 31 December 2023, long-term loans with a carrying amount of RMB1,148,207,000 (31 December 2022: RMB1,493,647,000), were secured by mortgages of the Group's construction in progress with a carrying amount of RMB3,030,237,000 (31 December 2022: RMB2,868,791,000).
- Note 7:* As at 31 December 2023, long-term loans with a carrying amount of RMB448,575,000, including current portion of long-term loans of RMB219,500,000 (31 December 2022: RMB404,811,000, including current portion of long-term loans of RMB20,590,000) were secured by pledges of the Group's land use rights with a carrying amount of RMB689,249,000 (31 December 2022: RMB680,796,000).
- Note 8:* As at 31 December 2023, the guaranteed long-term loans, including current portion of long-term loans of RMB2,386,436,000 (31 December 2022: RMB1,962,563,000), were all internally guaranteed by the entities comprising the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (Continued)

As at 31 December 2023, the Group had no overdue long-term loans (31 December 2022: Nil).

The maturity profile of the long-term loans as at the end of the year is listed as follows:

RMB'000

Item	31 December 2023	31 December 2022
Within one year or paid on demand (<i>Note V. 35</i>)	32,205,519	20,131,882
In the second year (inclusive)	42,917,553	31,883,891
In the third to fifth year (inclusive)	70,846,881	58,546,047
Over five years	51,857,044	42,985,490
Total	197,826,997	153,547,310

38. Bonds payable

RMB'000

Item	31 December 2023	31 December 2022
Bonds payable	43,205,227	45,194,975
Less: Current portion of bonds payable (<i>Note V. 35</i>)	12,173,678	17,098,279
Non-current portion of bonds payable	31,031,549	28,096,696

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows:

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,975,000	15 September 2020/13 September 2023	3+2 years	3,975,000	4.05%	3,620,343	385,000	141,177	3,023	715,395	3,434,148
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	3,075,098	–	109,500	2,660	209,500	2,977,758
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,768,924	–	87,750	(4,279)	87,750	2,764,645
CRCC Huan Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	20 May 2021	5 years	EUR 300 million	0.88%	2,232,583	–	20,576	132,466	19,905	2,365,720
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	9 January 2023	3+2 years	2,200,000	4.45%	–	2,200,000	89,742	(3,315)	–	2,286,427
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,147,106	–	87,675	1,690	67,200	2,169,271
CRCC Huan Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,088,966	–	39,979	36,770	39,929	2,125,786
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,058,325	–	83,400	1,529	83,400	2,059,854
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,016,308	–	70,400	807	70,400	2,017,115
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	1,830,000	10 March 2023	3+2 years	1,830,000	3.84%	–	1,830,000	72,000	(3,958)	–	1,898,042
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	27 June 2022/14 August 2023	3+2 years	1,760,000	3.43%	1,228,492	560,000	68,600	2,702	68,600	1,791,194
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,732,807	–	62,390	1,530	62,390	1,734,337
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public corporate bonds for professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,343,183	–	49,140	1,109	49,140	1,344,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public corporate bonds for professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,841	–	51,350	1,154	51,351	1,341,994
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	17 July 2023	3+2 years	1,300,000	3.58%	–	1,300,000	19,392	(2,172)	–	1,317,220
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,120,000	15 July 2022/14 August 2023	3+2 years	1,120,000	3.40%	918,178	220,000	51,000	685	51,000	1,138,863
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public corporate bonds for professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,120,060	–	36,408	1,133	36,408	1,121,193
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	1,126,716	–	49,500	(110)	59,500	1,116,606
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,032,355	–	31,996	(5,590)	31,996	1,026,765
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	900,000	23 March 2020	3+2 years	900,000	4.30%	920,738	–	36,083	565	39,520	917,866
China Railway Construction Real Estate Group Co., Ltd. – 2022- fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	786,241	–	32,000	1,155	32,000	787,396
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	–	700,000	16,567	(1,336)	–	715,231
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	700,000	12 October 2022/11 October 2023	3+2 years	700,000	3.74%	402,866	300,000	26,180	29	26,180	702,895
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,227	–	20,700	148	20,700	615,375
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	515,762	–	18,500	216	18,500	515,978

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	–	500,000	14,625	(902)	–	513,723
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,268	–	26,800	363	26,800	507,631
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of targeted placement notes	500,000	4 July 2023	3+2 years	500,000	3.65%	–	500,000	3,042	(881)	–	502,161
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.68%	328,456	–	18,400	1,358	18,401	329,813
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	300,000	28 March 2022/26 October 2023	3+2 years	300,000	3.70%	167,827	140,000	16,533	554	11,970	312,944
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.99%	308,257	–	11,100	(398)	31,100	287,859
China Railway Construction Real Estate Group Co., Ltd. – 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,514	–	10,980	(410)	10,979	263,105
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	1,200,000	9 April 2019	3+2 years	1,200,000	3.19%	196,725	–	6,283	5,295	6,283	202,020
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 1)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,593,404	–	72,695	(29,962)	5,636,137	–
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	819,052	–	6,360	28	825,440	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway SIYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020	3 years	1,000,000	2.50%	1,014,722	-	10,278	25,000	1,050,000	-
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,982	-	4,000	18	516,000	-
China Railway Construction Real Estate Group Co., Ltd. – 2018 first issue of medium term note	2,200,000	19 January 2018	5 years	2,200,000	5.94%	2,290,170	-	7,883	(3,453)	2,294,600	-
China Railway Construction Real Estate Group Co., Ltd. – Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 years	100,000	5.50%	102,479	-	1,060	2,927	106,466	-
Total	-	-	-	-	-	45,194,975	8,635,000	1,582,044	168,148	12,374,940	43,205,227
Less: Current portion of bonds payable	-	-	-	-	-	17,098,279	-	-	-	-	12,173,678
Non-current portion of bonds payable	-	-	-	-	-	28,096,696	-	-	-	-	31,031,549

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows:

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 1)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,114,572	–	195,049	476,906	193,123	5,593,404
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,590,000	15 September 2020/9 May 2022	3+2 years	3,590,000	4.05%	3,119,985	500,000	145,395	358	145,395	3,620,343
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	–	3,000,000	82,125	(7,027)	–	3,075,098
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,780,751	–	99,570	3,353	114,750	2,768,924
China Railway Construction Real Estate Group Co., Ltd. – 2018 first issue of medium term note	2,200,000	19 January 2018	5 year	2,200,000	5.94%	2,281,110	–	94,936	8,724	94,600	2,290,170
CRCC Hean Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	20 May 2021	5 year	EUR 300 million	0.88%	2,169,905	–	19,066	62,349	18,737	2,232,583
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	3.20%	2,146,496	–	67,200	610	67,200	2,147,106
CRCC Hean Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 year	USD300 million	1.88%	1,911,100	–	39,236	177,605	38,975	2,088,966
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,057,655	–	83,400	670	83,400	2,058,325
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 year	2,000,000	3.52%	2,015,414	–	70,400	894	70,400	2,016,308
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	–	1,690,000	46,793	(3,986)	–	1,732,807
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public corporate bonds for professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,342,836	–	49,140	347	49,140	1,343,183
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public corporate bonds for professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,541	–	51,350	300	51,350	1,340,841

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,200,000	27 June 2022	3+2 years	1,200,000	3.43%	–	1,200,000	34,300	(5,808)	–	1,228,492
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	–	1,100,000	30,704	(3,988)	–	1,126,716
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public corporate bonds for professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,119,829	–	36,408	231	36,408	1,120,060
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 year	1,003,000	3.19%	–	1,003,588	28,710	57	–	1,032,355
China Railway SIYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020/28 July 2022	3 years	1,000,000	2.50%	716,736	300,000	22,986	–	25,000	1,014,722
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	900,000	23 March 2020/13 October 2022	3+2 years	900,000	3.28%	620,488	300,000	29,520	250	29,520	920,738
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	900,000	15 July 2022	3+2 years	900,000	3.40%	–	900,000	21,250	(3,072)	–	918,178
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	818,664	–	25,440	388	25,440	819,052
China Railway Construction Real Estate Group Co., Ltd. – 2022- fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 year	770,000	3.20%	–	770,000	18,667	(2,426)	–	786,241
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,058	–	20,700	169	20,700	615,227
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	–	500,000	16,958	(1,196)	–	515,762
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,741	–	16,000	241	16,000	511,982

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	–	500,000	8,933	(1,665)	–	507,268
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	400,000	12 October 2022	3+2 years	400,000	3.74%	–	400,000	4,363	(1,497)	–	402,866
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 year	320,000	3.68%	–	320,000	10,733	(2,277)	–	328,456
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.99%	–	300,000	8,978	(721)	–	308,257
China Railway Construction Real Estate Group Co., Ltd. 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	310,430	–	12,459	325	59,700	263,514
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	1,200,000	9 April 2019	3+2 years	1,200,000	3.19%	1,235,657	–	11,940	(112)	1,050,760	196,725
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	160,000	28 March 2022	3+2 years	160,000	3.70%	–	160,000	8,525	(698)	–	167,827
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 year	100,000	5.50%	99,792	–	4,898	2,687	4,898	102,479
CRCC (Beijing) Property Management Co., Ltd. – 2017 first issue of private placement assets-backed note	960,000	13 December 2017	6 year	960,000	6.90%	503,600	–	1,311	1,076	505,987	–
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of private placement Corporate bond (variety II)	1,500,000	10 January 2019	3+2 years	1,500,000	4.90%	1,564,531	–	6,125	2,920	1,573,576	–
China Railway 16th Bureau Group Co., Ltd. – 2019 private placement Corporate bond	1,000,000	30 October 2019	3+3+1 year	1,000,000	4.73%	1,007,883	–	39,419	–	1,047,302	–
China Railway Construction Real Estate Group Co., Ltd. – 2019 first phase of debt financing plan	654,000	5 December 2019	3 years	654,000	6.10%	654,000	–	28,122	–	682,122	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date/ additional issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR002	300,000	16 April 2020	3 year	300,000	5.20%	301,427	–	5,157	1,195	307,779	–
Total	–	–	–	–	–	36,360,201	12,943,588	1,496,266	707,182	6,312,262	45,194,975
Less: Current portion of bonds payable	–	–	–	–	–	6,825,326	–	–	–	–	17,098,279
Non-current portion of bonds payable	–	–	–	–	–	29,534,875	–	–	–	–	28,096,696

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (Continued)

Note 1: The Group's overseas subsidiary issued 5-year and 10-year US dollar bonds in the international market are guaranteed by the Company with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Note 2: The Group's overseas subsidiary issued 5-year Euro bonds in the international market are guaranteed by the Company with fixed interest rate, yearly interest payment and principal repayment maturity.

Besides the long term bonds mentioned above, others were general corporate bonds issued on Shanghai Stock Exchange, and unsecured medium-term Notes, non-public directional debt financing instruments issued in National Association of Financial Market Institutional Investors. The relevant long term bonds were with fixed interest rates, interest repayment based on scheduled repayment dates and principal repayment at maturity. For certain bonds, at the end of third year or the fifth year, issuer have right to adjust coupon rate and redeem, and investor have right to put back option.

39. Lease liabilities

RMB'000

Item	31 December 2023	31 December 2022
Lease liabilities	6,186,880	4,146,079
Less: Total current portion of lease liabilities (Note V. 35)	2,106,473	1,694,787
Total non-current portion of lease liabilities	4,080,407	2,451,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

RMB'000

Item	31 December 2023	31 December 2022
Retention payables and other long-term project payables	31,722,357	24,993,442
Payables for specific items	4,985,481	4,830,684
Special payables	210,597	69,923
Others	4,344,737	4,906,865
Total	41,263,172	34,800,914

41. Deferred income

2023:

RMB'000

Item	1 January 2023	Additions	Reductions	31 December 2023
Government grants related to assets	152,936	1,300	9,013	145,223
Government grants related to income	560,245	718,244	740,232	538,257
Others	342,840	1,001	14,728	329,113
Total	1,056,021	720,545	763,973	1,012,593

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Deferred income (Continued)

2022:

RMB'000

Item	1 January 2022	Additions	Reductions	31 December 2022
Government grants related to assets	208,505	2,000	57,569	152,936
Government grants related to income	353,665	877,603	671,023	560,245
Others	361,564	2,081	20,805	342,840
Total	923,734	881,684	749,397	1,056,021

As at 31 December 2023, projects related to governments grants are listed as follows:

RMB'000

Project	1 January 2023	Additions	Included in non-operating income/other income in the year	Other changes (Note)	31 December 2023	Related to assets/income
Enterprise Development and Support Fund	443,280	359,365	(408,242)	–	394,403	Related to assets/income
Others	269,901	360,179	(339,677)	(1,326)	289,077	–
Total	713,181	719,544	(747,919)	(1,326)	683,480	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Deferred income (Continued)

As at 31 December 2022, projects related to governments grants are listed as follows:

RMB'000

Project	1 January 2022	Additions	Included in non- operating income/ other income in the year	Other changes (Note)	31 December 2022	Related to assets/ income
Enterprise Development and Support Fund	257,672	450,824	(260,216)	(5,000)	443,280	Related to assets/ income
Others	304,498	428,779	(452,476)	(10,900)	269,901	–
Total	562,170	879,603	(712,692)	(15,900)	713,181	–

Note: Government grants related to assets are used to offset against the carrying amount of relevant assets when relevant assets become ready for their intended use.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Share capital

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

2022:

RMB'000

Item	1 January 2022	Increase	Decrease	31 December 2022
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments

RMB'000

Item		31 December 2023	31 December 2022
2019 & 2020 renewable loans	Note 1	22,200,000	22,200,000
2022 renewable corporate bonds	Note 2	10,993,335	10,993,335
2021 renewable corporate bonds	Note 3	9,593,972	9,593,972
2023 renewable corporate bonds	Note 4	4,196,933	–
2019 renewable corporate bonds	Note 5	2,998,589	2,998,589
2023 medium-term notes Phase I	Note 6	2,995,466	–
2022 medium-term notes Phase I	Note 7	2,995,372	2,995,372
2021 CRCC medium-term notes	Note 8	1,994,120	1,994,120
2019 CRCC medium-term notes	Note 9	1,495,643	1,495,643
2020 renewable corporate bonds	Note 10	–	4,697,404
2020 medium-term notes Phase I	Note 11	–	2,991,242
Total		59,463,430	59,959,677

Note 1: In 2019 and 2020, the Company entered into renewable loans contracts with an aggregate principal amount of RMB35,600,000,000. Pursuant to the terms of these renewable loans contracts, the Company has the option to redeem the renewable loans at the expiration of 5 years or 7 years or 10 years since the investment principal transfer date, if no redemption requested at the time point mentioned above, the investment term of the relevant investment principal will be continued, the Company will have option to request for redemption before three months at the expiration date of 1 year or 3 years. The nominal interest rate of the renewable loans mentioned above in the first loan term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent loan terms is adjusted as the current prime interest rate plus initial spread plus 100 or 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The loans are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the loans did not satisfy the definition of financial liabilities, and recognised the renewable loans as other equity instruments. In 2022 and 2021, the Company redeemed part of the above renewable loans, the principal redeemed amounted to RMB13,400,000,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 2: On April 2022, July 2022, and December 2022, the Company issued renewable bonds respectively with an aggregate principal amount of RMB11,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 or 310 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB10,993,335,000, net of the relevant expenses of issuance of RMB6,665,000.

Note 3: On June 2021, November 2021, and December 2021, the Company issued renewable bonds respectively with an aggregate principal amount of RMB9,600,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB9,593,972,000, net of the relevant expenses of issuance of RMB6,028,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 4: On June 2023 and December 2023, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,200,000,000. Pursuant to the terms of the renewable bonds, for the phase-I renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points; for the phase-II renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 200 basis points. The maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,196,933,000, net of the relevant expenses of issuance of RMB3,067,000.

Note 5: On October 2019, November 2019, and December 2019, the Company issued renewable bonds respectively with an aggregate principal amount of RMB12,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB11,994,417,000, net of the relevant expenses of issuance of RMB5,583,000. In 2022, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB9,000,000,000. The differences between redeemed principal and the carrying amount of RMB4,172,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 6: On September 2023, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,466,000, net of the relevant expenses of issuance of RMB4,534,000.

Note 7: On October 2022, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third, the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,372,000, net of the relevant expenses of issuance of RMB4,628,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 8: On August 2021, the Company issued medium-term notes with an aggregate principal amount of RMB2,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,994,120,000, net of the relevant expenses of issuance of RMB5,880,000.

Note 9: On November 2019, the Company issued medium-term notes with an aggregate principal amount of RMB1,500,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,495,643,000, net of the relevant expenses of issuance of RMB4,357,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other equity instruments (Continued)

Note 10: On September 2020 and December 2020, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,700,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,697,404,000, net of the relevant expenses of issuance of RMB2,596,000. In 2023, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB4,700,000,000. The differences between redeemed principal and the carrying amount of RMB2,596,000 are included in capital reserve.

Note 11: On October 2020, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,991,242,000, net of the relevant expenses of issuance of RMB8,758,000. In 2023, the Company redeemed part of the above medium-term notes, the principal redeemed amounted to RMB3,000,000,000. The differences between redeemed principal and the carrying amount of RMB8,758,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Capital reserve

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Share premium	48,896,736	49,639	98,168	48,848,207
Relocation compensation granted by government	160,961	—	—	160,961
Others	(150,641)	—	11,354	(161,995)
Total	48,907,056	49,639	109,522	48,847,173

2022:

RMB'000

Item	1 January 2022	Increase	Decrease	31 December 2022
Share premium (<i>Note 1</i>)	44,848,140	4,048,790	194	48,896,736
Relocation compensation granted by government	160,961	—	—	160,961
Others	(122,516)	—	28,125	(150,641)
Total	44,886,585	4,048,790	28,319	48,907,056

Note 1: In 2022, the Company and its subsidiaries China Railway 14th Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 20th Bureau Group Co., Ltd. and China Railway Urban Construction Group Co., Ltd. ("the Target Companies") entered into Capital Contribution Agreements and Investment Agreements with several third-party investors. Pursuant to the agreements, the third-party investors respectively made capital contributions to the Target Companies in cash. Upon completion of the capital contribution, the Company's shareholding proportion of the Target Companies decreased from 100% to 79.02%, 80.30%, 70.41% and 71.69% respectively, but the Company will not lose actual control over the Target Companies. The capitals contributions made by the third-party investors amounted to RMB10,000,000,000. These transactions resulted in an increase of capital reserve amounting to RMB3,253,352,000 and an increase of non-controlling interests amounting to RMB6,746,648,000 in the consolidated financial statements of the Group for the year ended 31 December 2022.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position:

RMB'000

Item	1 January 2022	Increase/ (decrease)	Less: Other comprehensive income carried forward to retained earnings	Less: Other comprehensive income carried forward to profit or loss	1 January 2023	Increase/ (decrease)	Less: Other comprehensive income carried forward to retained earnings	Less: Other comprehensive income carried forward to profit or loss	31 December 2023
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	(160,250)	207,426	-	-	47,176	192,843	-	-	240,019
Changes in fair value of other debt investments	4,695	(10,657)	-	5,385	(11,347)	5,162	-	(16,495)	10,310
Effect of deferred tax from changes in fair value of other equity instrument investments	(1,174)	3,012	-	(1,346)	3,184	(1,290)	-	4,124	(2,230)
Changes in fair value of other equity instrument investments	990,827	(261,315)	4,012	-	725,500	(53,594)	57,749	-	614,157
Effect of deferred tax from changes in fair value of other equity instrument investments	(230,679)	51,789	-	-	(178,890)	11,756	-	-	(167,134)
Changes in fair value of receivables at FVTOCI	(3,548)	(5,732)	-	-	(9,280)	7,793	-	-	(1,487)
Effect of deferred tax from changes in fair value of receivables at FVTOCI	547	1,406	-	-	1,953	(2,335)	-	-	(382)
Exchange differences on translation of foreign operations	(1,886,349)	434,416	-	-	(1,451,933)	191,747	-	-	(1,260,186)
Others	9,439	(4,165)	(49,224)	-	54,498	(878)	154,181	-	(100,561)
Total	(1,276,492)	416,180	(45,212)	4,039	(819,139)	351,204	211,930	(12,371)	(667,494)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss:

2023:

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(91,554)	(11,756)	(41,838)	(37,960)
Others	(1,015)	(93)	(878)	(44)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	192,843	–	192,843	–
Changes in fair value of other debt investments	28,061	7,014	16,243	4,804
Changes in fair value of receivables at FVTOCI	10,145	2,335	5,458	2,352
Exchange differences on translation of foreign operations	234,545	–	191,747	42,798
Total	373,025	(2,500)	363,575	11,950

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss: (Continued)

2022:

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(291,314)	(51,804)	(209,526)	(29,984)
Others	(5,404)	(1,162)	(4,165)	(77)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	207,426	–	207,426	–
Changes in fair value of other debt investments	(21,881)	(5,818)	(11,684)	(4,379)
Changes in fair value of receivables at FVTOCI	(7,850)	(1,406)	(4,326)	(2,118)
Exchange differences on translation of foreign operations	492,298	–	434,416	57,882
Total	373,275	(60,190)	412,141	21,324

46. Special reserve

In accordance with the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* issued by Ministry of Finance and State Administration of Work Safety (Cai Qi [2012] No. 16) on 14 February 2012, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects and utilised those expenses. The Ministry of Finance and Ministry of Emergency Management revised the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* (Cai Zi [2022] No. 136) on 21 November 2022, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects for construction projects which have completed the bidding and signed the contracts; and provided for the safety production expenses at 1.5%, 2.5% and 3% of the cost of construction projects for the remaining construction projects, and utilised the expenses. Further details are stated in Note III. 31.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Surplus reserve

2023:

RMB'000

Item	1 January 2023	Increase	31 December 2023
Statutory surplus reserve (<i>Note</i>)	6,789,771	–	6,789,771

2022:

RMB'000

Item	1 January 2022	Increase	31 December 2022
Statutory surplus reserve (<i>Note</i>)	6,789,771	–	6,789,771

Note: In accordance with the Company Law and the Company's articles of association, the Company appropriated 10% of the net profit to the surplus reserve, which is limited to 50% of the Company's registered capital. The accumulated amount of the statutory surplus reserve reached 50% of the Company's registered capital at the end of 2021, thus additional appropriation would not be needed.

The Company and certain of its subsidiaries are authorised to allocate the discretionary surplus reserve from profit after tax after the allocation of the statutory reserve. Upon the approval of the board, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Retained earnings

		RMB'000
Item	2023	2022
Retained earnings at the end of the prior year	162,067,076	141,556,080
Changes in accounting policies (<i>Note III. 36</i>)	(85,944)	(124,646)
Retained earnings at the beginning of the year (restated)	161,981,132	141,431,434
Net profit attributable to owners of the Company	26,096,971	26,680,796
Less: Appropriation to statutory surplus reserve	—	—
Cash dividend declared for ordinary shares (<i>Note 1</i>)	3,802,272	3,340,567
Interest distributed to other equity instruments holders (<i>Note 2</i>)	2,547,999	2,745,319
Others	97,263	(45,212)
Retained earnings at the end of the year	181,825,095	161,981,132

Note 1: In accordance with the resolution at the 2022 annual general meeting of shareholders on 28 June 2023, the Company declared a cash dividend for the year ended 31 December 2022 of RMB0.28 per share (2022: RMB0.246 per share), which amounted to RMB3,802,272,000 (2022: RMB3,340,567,000) based on 13,579,541,500 ordinary shares in issue. The above dividends have been paid after the general meeting of shareholders.

Note 2: In 2023, the Company accrued interest of other equity instruments holders amounting to RMB2,547,999,000 (2022: RMB2,745,319,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Revenue and cost of sales

RMB'000

Item	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	1,129,072,328	1,012,853,036	1,087,343,373	979,667,617
Other operating revenue	8,921,158	6,830,046	8,969,494	6,080,057
Total	1,137,993,486	1,019,683,082	1,096,312,867	985,747,674

(1) Disaggregation of revenue by industry/segment is as follows:

RMB'000

Sector	2023		2022	
	Revenue	Cost of sales	Revenue	Cost of sales
Construction operations	965,113,809	877,559,052	939,366,100	856,910,627
Real estate development operations	83,271,759	73,071,096	62,253,669	53,567,832
Manufacturing operations	19,200,261	13,801,858	21,747,067	16,260,661
Planning, design and consultancy operations	18,517,503	10,402,979	20,181,756	12,904,006
Other business operations	51,890,154	44,848,097	52,764,275	46,104,548
Total	1,137,993,486	1,019,683,082	1,096,312,867	985,747,674

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Revenue and cost of sales (Continued)

- (2) Disaggregation of revenue by point in time of revenue recognition:

RMB'000

	Construction operations	Real estate development operations	Manufacturing operations	Planning, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
Over time	965,113,809	-	-	15,043,038	5,755,882	985,912,729
A point in time	-	83,082,164	18,392,124	3,474,465	45,077,853	150,026,606
Revenue arising from leases	-	189,595	808,137	-	1,056,419	2,054,151
Total	965,113,809	83,271,759	19,200,261	18,517,503	51,890,154	1,137,993,486

- (3) The construction services provided by the Group are mainly identified as single performance obligation and met the criteria of performance obligation performed over time. As at 31 December 2023, for the construction services in progress, the transaction prices allocated to their unsatisfied (including partially unsatisfied) performance obligations are based on their performance progress over the relevant construction contract periods and would be recognised as revenue based on their performance progress in future construction contract periods.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Taxes and surcharges

RMB'000

Item	2023	2022
City maintenance and construction tax	909,365	825,479
Stamp duty	757,983	717,542
Property tax	344,722	314,673
Others	2,284,867	2,315,739
Total	4,296,937	4,173,433

51. Selling and distribution expenses

RMB'000

Item	2023	2022
Employee compensation costs	3,738,136	3,512,644
Advertising and publicity expenses	2,532,831	1,942,068
Others	1,106,904	1,187,675
Total	7,377,871	6,642,387

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. General and administrative expenses

RMB'000

Item	2023	2022
Employee compensation costs	16,903,494	16,176,527
Office, travelling and transportation expenses	1,339,171	941,349
Depreciation expenses of fixed assets	969,772	939,071
Others	4,253,881	3,816,098
Total	23,466,318	21,873,045

In 2023, the amount of total service fees of audit and other services included in above general and administrative expenses was RMB39,482,000.

53. Research and development expenses

RMB'000

Item	2023	2022
Employee compensation costs and material costs	26,725,454	25,003,936

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Finance costs

RMB'000

Item	2023	2022
Interest expenses	13,793,999	12,552,978
Less: Interest income	4,216,238	4,391,798
Less: Interest capitalised	6,334,909	6,409,795
Exchange gains	(837,118)	(303,150)
Bank charges and others	2,255,715	2,130,061
Total	4,661,449	3,578,296

The amount of capitalised interest had been included in the balances of construction in progress (Note V. 21), intangible assets (Note V. 23) and properties under development (Note V. 8 (1)).

55. Impairment losses on assets

RMB'000

Item	2023	2022
Losses from impairment of contract assets	(1,611,709)	(1,466,112)
Losses from decline in value of inventories	(1,515,614)	(1,279,540)
Losses from impairment of goodwill	(113,242)	(203,654)
Losses from impairment of intangible assets	(112,459)	(76,923)
Others	(108,163)	(24,685)
Total	(3,461,187)	(3,050,914)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Impairment of credit losses

RMB'000

Item	2023	2022
Losses from impairment of receivables	(6,471,159)	(4,926,733)
Losses from impairment of loans to customers	(8,885)	38,909
Total	(6,480,044)	(4,887,824)

57. Other income

RMB'000

Item	2023	2022
Government grants relating to daily operations	795,995	795,003
Others	158,639	303,732
Total	954,634	1,098,735

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Investment losses

<i>RMB'000</i>		
Item	2023	2022
Share of profits/(losses) of long-term equity investments under the equity method	564,987	(1,129,198)
Investment income from disposal of long-term equity investments	199,416	931,593
Gains from the re-measurement at fair values of remaining equity investments when losing controls of subsidiaries	—	673,461
Gains from the re-measurement at fair value of original equity when controls of subsidiaries commence	101	172,505
Losses from derecognition of financial assets measured at amortised cost	(5,563,839)	(5,911,105)
Investment income from holding other equity instruments	116,607	99,537
Investment income from holding and disposal of held-for-trading financial assets and other financial assets	243,559	140,316
Investment income from holding debt investment	194,554	365,935
Others	14,650	(8,979)
Total	(4,229,965)	(4,665,935)

59. Losses on fair value changes

<i>RMB'000</i>		
Item	2023	2022
Financial assets and liabilities at fair value through profit or loss	(643,564)	(462,611)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Non-operating income

RMB'000

Item	2023	2022	Non-recurring profit or loss of the year
Government grants	87,370	136,512	87,370
Approved unpayable balances	268,931	312,925	268,931
Gains on compensation, penalties and fines	298,632	393,931	298,632
Others	325,818	339,825	325,818
Total	980,751	1,183,193	980,751

Government grants credited to profit or loss for the period are listed as follows:

RMB'000

Nature	2023	2022	Related to assets/income
Enterprise development funds	429,598	297,850	Related to income
Refund of taxes	211,557	289,732	Related to income
Others	242,210	343,933	Related to assets/income
Total	883,365	931,515	–
Including: Other income	795,995	795,003	–
Non-operating income	87,370	136,512	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Non-operating expenses

RMB'000

Item	2023	2022	Non-recurring profit or loss of the year
Loss on compensation, penalties and fines	482,924	481,553	482,924
Donations	49,001	68,370	49,001
Others	214,383	210,392	214,383
Total	746,308	760,315	746,308

62. Costs and expenses classified by nature

Supplementary information of the Group's costs of sales, selling and distribution expenses, general and administrative expenses, research and development expenses categorised by nature is listed as follows:

RMB'000

Item	2023	2022
Cost of services rendered	821,241,816	799,925,231
Cost of goods sold	123,046,529	111,618,283
Employee benefits (Note V. 32)	82,397,577	80,071,402
Depreciation expenses on fixed assets (Note V. 20)	17,160,631	16,584,947
Depreciation expenses on right-of-use assets (Note V. 22)	2,221,992	2,136,283
Amortisation expenses on intangible assets (Note V. 23)	1,595,989	1,518,926
Depreciation expenses on investment properties (Note V. 19)	327,347	280,835

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses

Item	RMB'000	
	2023	2022 (restated)
Current tax expenses – Mainland China	8,102,851	7,106,066
Current tax expenses – Others	216,404	148,998
Deferred tax expenses	(1,819,832)	(1,224,892)
Total	6,499,423	6,030,172

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses (Continued)

A reconciliation of the income tax expense applicable to profit before tax is listed as follows:

RMB'000

Item	2023	2022 (restated)
Profit before tax	38,828,152	37,824,462
Income tax at the statutory income tax rate of 25%	9,707,038	9,456,116
Tax effect of preferential tax rates for some subsidiaries	(2,261,826)	(2,148,745)
Tax effect of share of profits and losses of joint ventures and associates	(141,247)	(179,075)
Effect of non-taxable income	(247,275)	(272,614)
Effect of non-deductible expenses	346,636	462,703
Effect of non-utilisation of previously recognised deductible tax losses	(413,117)	(191,002)
Effect of utilisation of deductible temporary differences previously not recognised	(182,790)	(431,732)
Tax preference for qualifying research and development expenses	(1,824,195)	(1,780,466)
Effects of deductible losses as deferred tax assets not recognised in the current year	1,553,645	1,297,380
Deductible temporary differences not recognised as deferred tax assets	775,680	487,568
Adjustments in respect of current income tax of previous years	(30,022)	102,585
Interest on perpetual bonds deductible before tax	(765,238)	(683,666)
Others	(17,866)	(88,880)
Income tax expense at the Group's effective tax rate	6,499,423	6,030,172

The income tax of the Group which shall be paid in Chinese mainland is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other regions is calculated at the statutory tax rate according to existing laws, interpretations and practices of the country or jurisdiction in which the Group operates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Earnings per share

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the year.

<i>RMB'000</i>		
Item	2023	2022 (restated)
Earnings		
Net profit attributable to shareholders of the Company	26,096,971	26,680,796
Including: profit or loss from continuing operations	26,096,971	26,680,796
Less: attributable to holder of other equity instruments (Note V. 48)	2,547,999	2,745,319
Net profit attributable to ordinary shareholders	23,548,972	23,935,477
Shares		
Number of the outstanding ordinary shares of the Company	13,579,541,500	13,579,541,500
Basic earnings per share (<i>RMB/share</i>)	1.73	1.76
Diluted earnings per share (<i>RMB/share</i>)	1.73	1.76

65. Notes to items in the statement of cash flows

<i>RMB'000</i>		
Item	2023	2022
(1) Cash received from other operating activities:		
Income from sales of raw materials	2,857,022	3,630,403
Recovery of loans for cooperative development project	3,181,204	1,234,360
Security deposit and cash pledged	2,547,809	5,176,806
Others	16,535,524	15,326,840
Total	25,121,559	25,368,409

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to items in the statement of cash flows (Continued)

RMB'000

Item	2023	2022
(2) Cash paid for other operating activities:		
Advertising and publicity expenses	2,532,831	1,942,068
Office and travelling expenses	1,801,488	1,491,677
Repair and maintenance costs	491,775	432,414
Others	12,504,205	17,118,385
Total	17,330,299	20,984,544

RMB'000

Item	2023	2022
(3) Cash received from other investment activities:		
Recovery of financing projects amounts	1,676,184	3,070,338
Net cash received from acquisitions of subsidiaries (Note V. 66(2))	227,374	849,379
Total	1,903,558	3,919,717

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to items in the statement of cash flows (Continued)

RMB'000

Item	2023	2022
(4) Cash paid for other financing activities:		
Cash paid from redemption of other equity instruments	7,700,000	17,300,000
Cash paid for lease liabilities	2,490,489	2,415,833
Cash paid from acquisition of non-controlling interests	370,788	56,081
Others	379,931	–
Total	10,941,208	19,771,914

Changes in various liabilities arising from financing activities are as follows

RMB'000

Item	1 January 2023	Increase		Decrease		31 December 2023
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term loans	51,367,562	191,451,237	8,187,445	169,166,486	–	81,839,758
Long-term loans (including current portion of long-term loans)	153,547,310	99,494,963	14,722,670	69,937,946	–	197,826,997
Bonds payable (including current portion of bonds payable)	45,194,975	8,635,000	1,750,192	12,374,940	–	43,205,227
Lease liabilities (including current portion of lease liabilities)	4,146,079	–	4,801,812	2,490,489	270,522	6,186,880
Long-term payables (relating to financing)	2,039,594	1,077,783	22,878	379,931	–	2,760,324
Other payables (relating to financing)	2,494,948	1,398,992	–	–	–	3,893,940
Other payables (dividends payable)	1,064,805	–	10,138,353	10,065,555	–	1,137,603
Other current liabilities (short-term commercial paper)	419,247	6,000,000	35,692	6,454,939	–	–
Total	260,274,520	308,057,975	39,659,042	270,870,286	270,522	336,850,729

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Notes to items in the statement of cash flows (Continued)

Significant activities and financial impacts that do not involve cash inflows and outflows in the current period but affect the financial position of the Company or may affect the cash flows of the Company in the future:

Item	RMB'000	
	2023	2022
Increase in right-of-use assets	4,567,234	2,434,172
Total	4,567,234	2,434,172

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the statement of cash flows

	2023	2022 (restated)
Reconciliation of net profit to cash flows generated from operating activities:		
Net profit	32,328,729	31,794,290
Add: Impairment losses on assets	3,461,187	3,050,914
Impairment of credit losses	6,480,044	4,887,824
Depreciation of fixed assets	17,160,631	16,584,947
Depreciation of right-of-use assets	2,221,992	2,136,283
Amortisation of intangible assets	1,595,989	1,518,926
Amortisation of investment properties	327,347	280,835
Amortisation of long-term prepayments	448,130	273,809
Gains from retirement and disposal of fixed assets, intangible assets and other long-term assets	(602,843)	(54,748)
Losses on fair value changes	643,564	462,611
Finance costs	5,847,661	4,316,376
Investment income	(1,319,224)	(1,303,435)
Increase in deferred tax assets	(2,091,453)	(1,375,155)
Increase in deferred tax liabilities	271,621	144,960
Increase in inventories	(9,339,880)	(21,544,050)
Increase in contract assets	(38,683,930)	(58,994,531)
Increase in operating receivables	(46,233,193)	(3,967,113)
Increase in operating payables	47,571,283	78,293,239
Decrease/(increase) in the deposits with the central bank	324,393	(371,030)
Net cash flows generated from operating activities	20,412,048	56,134,952

RMB'000

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the consolidated statement of cash flows (Continued)

- (1) Supplementary information to the statement of cash flows (Continued)

Net changes in cash and cash equivalents:

RMB'000

Item	2023	2022
Cash at the end of the year	150,866,988	140,774,045
Less: Opening balance of cash	140,774,045	102,421,626
Add: Closing balance of cash equivalents	1,770,789	3,741,447
Less: Opening balance of cash equivalents	3,741,447	7,320,235
Net increase in cash and cash equivalents	8,122,285	34,773,631

- (2) Net cash received from acquisition of subsidiaries this year

RMB'000

Item	31 December 2023
Cash and cash equivalents held by subsidiaries when control commences	239,293
Less: Cash and cash equivalents paid to acquire subsidiaries this year	11,919
Net cash received from acquisition of subsidiaries	227,374

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the consolidated statement of cash flows (continued)

- (3) Net cash received from disposal of subsidiaries this year

RMB'000

Item	31 December 2023
Cash and cash equivalents received from disposal of subsidiaries this year	16,483
Less: Cash and cash equivalents held by subsidiaries when control ceases	—
Net cash received from disposal of subsidiaries	16,483

- (4) Cash and cash equivalents

RMB'000

Item	31 December 2023	31 December 2022
Cash	150,866,988	140,774,045
Including: Cash on hand	66,019	58,623
Cash with banks/financial institutions without restriction	150,800,969	140,715,422
Cash equivalents	1,770,789	3,741,447
Closing balance of cash and cash equivalents	152,637,777	144,515,492

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Assets with title restrictions

RMB'000

Item	31 December 2023	31 December 2022	Reason
Inventories	45,687,542	59,933,128	Mortgaged for loans
Intangible assets	44,838,636	43,881,171	Pledged for loans/ Mortgaged for loans
Other non-current assets	14,856,837	14,937,347	Pledged for loans
Cash and bank balances	13,060,657	13,480,644	Note
Bills receivable	—	23,850	Pledged for loans
Construction in progress	3,030,237	2,868,791	Mortgaged for loans
Trade receivables	9,619,878	1,757,880	Pledged for loans
Fixed assets	2,955,270	2,636,141	Mortgaged for loans
Long-term receivables	5,435,799	1,177,072	Pledged for loans
Total	139,484,856	140,696,024	—

Note: As at 31 December 2023, the Group held frozen deposits of RMB4,922,015,000 (31 December 2022: RMB3,789,661,000). The residual amount of RMB3,679,644,000 (31 December 2022: RMB4,907,592,000) was comprised of several kinds of deposits. CRCC Finance Company Limited placed RMB4,458,998,000 (31 December 2022: RMB4,783,391,000) in the central bank as statutory reserves.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Foreign currency monetary items

31 December 2023:

RMB'000

Item	Closing balance of foreign currencies (‘000)	Exchange rate	Closing balance in RMB
Cash and bank balances			5,823,599
Including: U.S. Dollar	639,099	7.0827	4,526,543
Euro	72,964	7.8592	573,442
Others			723,614
Trade receivables			2,596,994
Including: U.S. Dollar	274,810	7.0827	1,946,395
Others			650,599
Other receivables			103,299
Including: U.S. Dollar	4,208	7.0827	29,801
Others			73,498
Trade payables			1,039,573
Including: U.S. Dollar	37,135	7.0827	263,015
Others			776,558
Other payables			91,212
Including: U.S. Dollar	4,438	7.0827	31,432
Others			59,780
Short-term loans			3,556,548
Including: Euro	352,500	7.8592	2,770,368
U.S. Dollar	111,000	7.0827	786,180
Long-term loans(Including long-term loans due within one year)			1,415,370
Including: U.S. Dollar	100,055	7.0827	708,658
Euro	89,922	7.8592	706,712
Bonds payable (including current portion of bonds payable)			2,365,720
Including: Euro	301,013	7.8592	2,365,720

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Foreign currency monetary items (Continued)

31 December 2023: (Continued)

Note: The Group's main operating location is Mainland China and overseas market is spread in over 100 countries and region. There is no individually material foreign operations, and the foreign operations determined the functional currency according to the currency of the principal economic environment in which they operate. The Company, the subsidiaries and the foreign operations determined the foreign currency monetary items mentioned above in accordance with their functional currencies respectively.

VI. CHANGES OF CONSOLIDATION SCOPE

1. Business combinations not involving enterprises under common control

In 2023, the Group acquired several entities through business combination not under common control, including Jiangsu Yancheng Tietou Construction Development Co., Ltd. and Xi'an CRCC Jingshang Real Estate Development Co., Ltd. etc. and so they were included in the consolidation scope of the Group. The individual amount of these subsidiaries' assets, liabilities, operating income etc. was not material at the acquisition date. Upon the completion of transaction, the Group's total assets increased of RMB9,722,253,000 and the Group's total liabilities increased of RMB8,405,635,000.

2. Disposal of subsidiaries

In 2023, the entities that are no longer included in the consolidation scope due to disposal of subsidiaries or other reasons are immaterial and therefore are not listed here.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

(1) Particulars of the principal subsidiaries of the Company are listed as follows:

Subsidiaries acquired through establishment or investment

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Civil Engineering Construction Corporation	Beijing	Beijing	Construction	3,000,000	100.00	–
China Railway 11th Bureau Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction	6,162,382	81.62	–
China Railway 12th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	5,060,677	100.00	–
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,200,000	100.00	–
China Railway 14th Bureau Group Co., Ltd.	Jinan, Shandong	Jinan, Shandong	Construction	3,391,534	79.02	–
China Railway 15th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	3,000,000	100.00	–
China Railway 16th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	4,400,000	100.00	–
China Railway 17th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	3,021,226	100.00	–
China Railway 18th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,523,404	80.30	–
China Railway 19th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	5,080,000	100.00	–
China Railway 20th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	3,385,831	70.41	–
China Railway 21st Bureau Group Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Construction	2,038,000	100.00	–
China Railway 22nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	2,000,000	100.00	–
China Railway 23rd Bureau Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Construction	2,000,000	100.00	–
China Railway 24th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	2,000,000	100.00	–
China Railway 25th Bureau Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction	2,000,000	100.00	–
China Railway First Survey and Design Institute Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Planning, design and consultancy	1,030,000	100.00	–
China Railway SIYUAN Survey and Design Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Planning, design and consultancy	1,052,500	100.00	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(1) Particulars of the principal subsidiaries of the Company are listed as follows: (Continued)

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Railway Construction Group Co., Ltd.	Beijing	Beijing	Construction	3,502,971	85.64	–
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	3,800,000	100.00	–
China Railway Material Group Co., Ltd.	Beijing	Beijing	Purchase and sales of goods and materials	3,000,000	100.00	–
CRCC High-Tech Equipment Corporation Limited	Kunming, Yunnan	Kunming, Yunnan	Manufacturing operations	1,519,884	63.70	1.30
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development and operation	7,000,000	100.00	–
China Railway Construction Heavy Industry Corporation Limited	Changsha, Hunan	Changsha, Hunan	Manufacturing operations	5,333,497	71.93	0.36
China Railway Construction Investment Group Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Project investment, Construction	12,067,086	87.34	–
CRCC Finance Company Limited	Beijing	Beijing	Financial Services	9,000,000	94.00	–
China Railway Construction Corporation (International) Limited	Beijing	Beijing	Construction	3,012,500	100.00	–
CRCC Capital Holdings Group Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Financial Services	9,000,000	100.00	–
China Railway Urban Construction Group Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction	2,789,839	71.69	–
CRCC Kunlun Investment Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Project investment, Construction	5,087,166	70.77	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:

31 December 2023:

RMB'000

Subsidiary	Shareholding proportion (%)	Net profit or loss attributable to non-controlling interests	Dividends distribute to non-controlling shareholders	Accumulated balances of non-controlling interests at the reporting date
China Railway Construction Investment Group Co., Ltd. (Note)	12.66	958,279	582,426	18,601,154
CRCC Kunlun Investment Group Co., Ltd.	29.23	840,722	432,331	8,124,607
China Railway 14th Bureau Group Co., Ltd.	20.98	344,823	169,855	6,346,422
China Railway 18th Bureau Group Co., Ltd.	19.70	352,101	162,111	4,698,846
China Railway Construction Heavy Industry Co., Ltd.	27.71	442,033	153,708	4,603,083

Note: The mentioned above subsidiaries issued financial instruments, such as outstanding renewable corporate bonds and medium-term notes, which are recognised in other equity instruments and presented under the line item of "non-controlling interests" in the consolidated balance sheet of the Group. The shareholding proportion of minority shareholders of these subsidiaries represents the proportion of equity interests held by minority shareholders other than holders of other equity instruments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (Continued)

RMB'000

Subsidiary	31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	27,466,494	145,595,839	173,062,333	57,446,884	75,721,101	133,167,985
CRCC Kunlun Investment Group Co., Ltd.	26,720,774	59,673,231	86,394,005	46,125,857	15,070,541	61,196,398
China Railway 14th Bureau Group Co., Ltd.	60,527,532	33,020,417	93,547,949	72,369,906	5,124,224	77,494,130
China Railway 18th Bureau Group Co., Ltd.	40,319,471	20,263,047	60,582,518	42,225,036	5,714,936	47,939,972
China Railway Construction Heavy Industry Co., Ltd.	14,897,761	10,543,232	25,440,993	7,750,542	1,135,651	8,886,193

RMB'000

Subsidiary	31 December 2022					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	30,479,049	127,887,909	158,366,958	61,609,926	60,050,356	121,660,282
CRCC Kunlun Investment Group Co., Ltd.	18,758,259	48,592,712	67,350,971	34,063,828	11,539,857	45,603,685
China Railway 14th Bureau Group Co., Ltd.	54,147,623	26,384,402	80,532,025	61,380,500	3,759,952	65,140,452
China Railway 18th Bureau Group Co., Ltd.	37,829,620	16,217,593	54,047,213	39,351,363	3,060,921	42,412,284
China Railway Construction Heavy Industry Co., Ltd.	15,101,461	8,685,186	23,786,647	6,977,417	1,301,978	8,279,395

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (Continued)

RMB'000

Subsidiary	2023			Net cash flows generated from operating activities
	Revenue	Net profit	Total comprehensive income	
China Railway Construction Investment Group Co., Ltd.	53,271,917	3,064,906	3,109,388	3,514,471
CRCC Kunlun Investment Group Co., Ltd.	58,465,857	3,579,939	3,586,095	6,983,890
China Railway 14th Bureau Group Co., Ltd.	83,522,921	1,518,340	1,518,340	3,417,169
China Railway 18th Bureau Group Co., Ltd.	73,377,081	1,479,145	1,487,267	1,739,152
China Railway Construction Heavy Industry Co., Ltd.	10,027,467	1,593,863	1,602,232	703,533

RMB'000

Subsidiary	2022			Net cash flows generated from operating activities
	Revenue	Net profit	Total comprehensive income	
China Railway Construction Investment Group Co., Ltd.	51,515,377	2,944,085	2,908,289	3,230,208
CRCC Kunlun Investment Group Co., Ltd.	61,015,860	3,374,640	3,374,640	14,317,213
China Railway 14th Bureau Group Co., Ltd.	84,782,930	1,152,743	1,152,774	6,188,663
China Railway 18th Bureau Group Co., Ltd.	71,307,874	1,213,318	1,269,601	1,177,324
China Railway Construction Heavy Industry Co., Ltd.	10,101,548	1,844,229	1,836,859	1,070,722

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

- (3) As at 31 December 2023, the information of financial instruments involved in equity, such as the renewable corporate bonds, medium-term notes publicly and perpetual bonds issued by the several subsidiaries, is listed as follows:

RMB'000

Subsidiary	Amount
China Railway Construction Investment Group Co., Ltd.	9,092,100
China Railway Construction Treasury Management(Hong Kong) Co., Ltd	6,585,245
China Railway 11th Bureau Group Co., Ltd.	2,496,500
China Railway SIYUAN Survey and Design Group Co., Ltd.	399,790

As at 31 December 2023, the information of financial liabilities, such as corporate bonds and medium term notes publicly issued by several subsidiaries is detailed in Notes V. 38.

2. Equity in joint ventures and associates

Principal joint ventures and associates

RMB'000

Name of principal joint ventures and associates	Principal place of business	Place of registration	Principal activities	Shareholding proportion %		Measurement of joint ventures and associates
				Direct	Indirect	
Sichuan Chengmian Cangba Expressway Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Highway Project Construction & Management	39.5	–	Equity method
Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Investment in Rail Transit Construction	54.4	–	Equity method
CRCC Financial Leasing Co., Ltd.	Tianjin	Tianjin	Finance lease	50	–	Equity method
Hangqu Railway Co., Ltd.	Zhejiang, Quzhou	Zhejiang, Quzhou	Railway Project Investment & Management	46	–	Equity method

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

Major financial information of principal joint ventures

RMB'000

	31 December 2023/For the year ended 31 December 2023		31 December 2022/For the year ended 31 December 2022	
	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.
Current assets	3,251,815	4,980,066	2,277,703	3,144,726
Including: Cash and cash equivalents	654,972	947,193	871,644	40,762
Non-current assets	42,210,877	18,654,809	31,042,222	19,806,135
Total assets	45,462,692	23,634,875	33,319,925	22,950,861
Current liabilities	1,111,391	3,621,965	606,260	4,506,116
Non-current liabilities	33,964,750	13,161,977	24,886,750	12,928,610
Total liabilities	35,076,141	16,783,942	25,493,010	17,434,726
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the company	10,386,551	6,850,933	7,826,915	5,516,135
The net assets multiplied by the shareholding proportion	4,102,688	3,726,908	3,091,631	3,000,777
Adjustment event				
– Others	(10)	178,680	131,282	307,354
Carrying amount of investments in the joint ventures attributable to the Group	4,102,678	3,905,588	3,222,913	3,308,131
Revenue	120	337,764	26	217,918
Finance costs	(20)	(312,048)	–	(256,848)
Income tax expenses	314	(32,830)	6	378
Net profit	(206)	140,279	17	316,155
Other comprehensive income	–	–	–	–
Total comprehensive income	(206)	140,279	17	316,155
Dividends from joint ventures for the year	–	132,455	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

Major financial information of principal joint ventures (Continued)

RMB'000

	31 December 2023/For the year ended 31 December 2023		31 December 2022/For the year ended 31 December 2022	
	CRCC Financial Leasing Co., Ltd.	Hangqu Railway Co., Ltd.	CRCC Financial Leasing Co., Ltd.	Hangqu Railway Co., Ltd.
Total assets	43,017,472	16,353,581	45,066,406	13,140,929
Total liabilities	36,192,424	10,929,928	38,655,347	8,501,276
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the company	6,825,048	5,423,653	6,411,059	4,639,653
The net assets multiplied by the shareholding proportion	3,412,524	2,494,880	3,205,530	2,134,240
Adjustment event				
– Unrealised profits of intra-group transactions	(251,416)	–	(259,870)	–
– Others	2,404	93,983	(1,894)	92,623
Carrying amount of investments in the associates attributable to the Group	3,163,512	2,588,863	2,943,766	2,226,863
Revenue	3,568,309	8,130	3,955,521	–
Finance costs	1,805	–	1,840	–
Income tax expenses	188,359	–	190,391	–
Net profit	422,584	–	540,319	–
Other comprehensive income	–	–	–	–
Total comprehensive income	422,584	–	540,319	–
Dividends from associates for the year	–	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

The aggregate financial information of the individually insignificant joint ventures:

RMB'000

Item	31 December 2023	31 December 2022
Shares of net profit of the joint ventures attributable to the Group	(902,607)	(470,416)
Shares of other comprehensive income of the associates attributable to the Group	90,678	514
Shares of total comprehensive income of the joint ventures attributable to the Group	(811,929)	(469,902)
Carrying amount of investments in the joint ventures attributable to the Group	56,903,672	49,251,346

The aggregate financial information of the individually insignificant associates:

RMB'000

Item	31 December 2023	31 December 2022
Shares of net profit of the associates attributable to the Group	1,180,073	(1,100,326)
Shares of other comprehensive income of the associates attributable to the Group	102,165	206,912
Shares of total comprehensive income of the associates attributable to the Group	1,282,238	(893,414)
Carrying amount of investments in the associates attributable to the Group	78,614,044	67,032,219

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

3. Equity in structured entities that have not been merged into the consolidated financial statements

As at 31 December 2023, the scale of major structured entities that the Group participated in and that were not included in the consolidated financial statements totalled approximately RMB46,245,930,000 (31 December 2022: RMB29,555,239,000). Among them, the subscription amount of the Group was approximately RMB14,284,056,000 (31 December 2022: RMB10,421,096,000) and that of other investors was approximately RMB31,961,874,000 (31 December 2022: RMB19,134,143,000). The Group has no control over this category of structured entity, so the structured entities have not been merged into the consolidated financial statements. As at 31 December 2023, the actual subscription amount paid by the Group was approximately RMB6,181,649,000 (31 December 2022: RMB3,597,632,000), which was accounted in other non-current financial assets. The Group's largest risk exposure in these structured entities is the amount of capital contributed by the Group as of the balance sheet date. The Group has no obligation or intention to provide financial support to the structured entities.

As at 31 December 2023, the Group's cumulative issuance amount of asset-backed securities was RMB89,034,000,000 (31 December 2022: RMB76,704,000,000). The subordinated tranche of the asset-backed securities was RMB4,449,800,000 (31 December 2022: RMB3,551,800,000). On 31 December 2023, the subordinated tranche of asset-backed securities held by the Group was RMB1,036,650,000 (31 December 2022: RMB811,500,000), of which RMB230,850,000 (31 December 2022: RMB344,000,000) was accounted in held-for-trading financial assets and RMB805,800,000 (31 December 2022: RMB467,500,000) was accounted in other non-current financial assets. As for asset-backed securities issued by the Group, it promises to, upon issuance of some asset-backed securities, provide paid temporary liquidity support for the principal of priority asset-backed securities and the difference between the expected returns and the distributable funds for each period of the asset-backed securities special plan, but the Group did not provide such support for some asset-backed securities upon their issuance. As at 31 December 2023, asset-backed securities had not actually triggered this liquidity support, and the Group had never provided such liquidity support. The Group assesses that the possibility of triggering liquidity support in the future is minimal.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

1. Financial instruments by category

The carrying amount of each category of financial instruments at the balance sheet date are as follows:

31 December 2023:

Financial assets

RMB'000

Item	Classified as financial assets at fair value through other comprehensive income	Designated as financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Total
Bills receivable	-	-	-	3,229,041	3,229,041
Trade receivables	-	-	-	155,809,067	155,809,067
Receivables at FVTOCI	2,723,520	-	-	-	2,723,520
Loans and advances to customers	-	-	-	1,686,305	1,686,305
Other receivables (excluding petty cash)	-	-	-	56,390,029	56,390,029
Other current assets	-	-	-	3,025,640	3,025,640
Long-term receivables	-	-	-	109,859,078	109,859,078
Cash and bank balances	-	-	-	166,957,837	166,957,837
Held-for-trading financial assets	-	-	1,629,785	-	1,629,785
Debt investments	-	-	-	6,016,176	6,016,176
Other debt investments	5,115,845	-	-	-	5,115,845
Other equity instrument investments	-	12,575,571	-	-	12,575,571
Other non-current financial assets	-	-	10,287,149	-	10,287,149
Current portion of non-current assets	6,963,058	-	-	15,035,191	21,998,249
Total	14,802,423	12,575,571	11,916,934	518,008,364	557,303,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2023: (continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	81,839,758	81,839,758
Due to customers	1,356,691	1,356,691
Bills payable	53,461,242	53,461,242
Trade payables	491,567,214	491,567,214
Other payables	106,058,137	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	52,111,844	52,111,844
Other current liabilities (continuing involvement in liabilities)	230,850	230,850
Long-term loans	165,621,478	165,621,478
Bonds payable	31,031,549	31,031,549
Long-term payables (excluding special payables)	41,052,575	41,052,575
Other non-current liabilities (continuing involvement in liabilities)	798,800	798,800
Total	1,025,130,138	1,025,130,138

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2022:

Financial assets

RMB'000

Item	Classified as financial assets at fair value through other comprehensive income	Designated as financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Total
Bills receivable	–	–	–	8,495,031	8,495,031
Trade receivables	–	–	–	141,229,619	141,229,619
Receivables at FVTOCI	3,321,965	–	–	–	3,321,965
Loans and advances to customers	–	–	–	1,445,190	1,445,190
Other receivables (excluding petty cash)	–	–	–	65,683,626	65,683,626
Other current assets	–	–	–	17,077	17,077
Long-term receivables	–	–	–	80,554,812	80,554,812
Cash and bank balances	–	–	–	158,424,810	158,424,810
Held-for-trading financial assets	–	–	961,298	–	961,298
Debt investments	–	–	–	9,076,297	9,076,297
Other debt investments	4,934,663	–	–	–	4,934,663
Other equity instrument investments	–	11,940,051	–	–	11,940,051
Other non-current financial assets	–	–	8,387,687	–	8,387,687
Current portion of non-current assets	5,959,529	–	–	11,115,628	17,075,157
Total	14,216,157	11,940,051	9,348,985	476,042,090	511,547,283

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2022: (Continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	51,367,562	51,367,562
Due to customers	3,168,603	3,168,603
Bills payable	89,607,342	89,607,342
Trade payables	425,568,938	425,568,938
Other payables	100,528,887	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	43,599,876	43,599,876
Other current liabilities (including short-term commercial paper and continuing involvement in liabilities)	760,247	760,247
Long-term loans	133,415,428	133,415,428
Bonds payable	28,096,696	28,096,696
Long-term payables (excluding special payables)	34,730,991	34,730,991
Other non-current liabilities (continuing involvement in liabilities)	466,500	466,500
Total	911,311,070	911,311,070

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. Transfer of financial assets

Transferred financial assets that are derecognised in their entirety but continuously involved

As at 31 December 2023, the Group had endorsed and discounted bank acceptance bills which are not yet due amounting to RMB2,272,750,000 (31 December 2022: RMB4,738,314,000). As at 31 December 2023, for bills within 12 months, if acceptance banks dishonoured the bills, endorsees shall have the right to turn to the Group for recourse according to the Law of Bill. The Group considered the risks and rewards of the bills had been transferred. Therefore, the Group had derecognised the related bills receivable and trade payables that had been settled by the bills. The undiscounted cash flows and maximum losses of continuing involvement and repurchase equalled to the book value of the bills. The Group considered the fair value of continuing involvement to be not significant.

In 2023, the Group did not recognised any profit or loss at the date of transfer. The Group had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognised. The endorsement and discount happens evenly throughout the year.

Transferred financial assets that are not derecognised in their entirety

In 2023, the Group sold underlying assets to the assets-backed specific plan which set up by the financial institute who are also the managers of the assets-backed specific plan. The managers represented the assets-backed specific plan to issue senior assets-backed securities and subordinate assets-backed securities to investors. The Group holds some portion of the subordinate assets-backed securities. Meanwhile, the Group acts as a receivables service provider to provide management services associated with receivables and their collection, contracts revision and other services to the assets-backed specific plan.

As the Group has restriction in the ability of guiding the operations of assets-backed specific plan, resulting in the degree which the Group using substantial rights to influence to obtain variable returns limited, the Group does not need to consolidate the assets-backed specific plan. Meanwhile, the Group has neither transferred nor retained substantially all the risks and rewards of the underlying assets ownership, and it retained control of the underlying assets transferred, the Group recognised the asset and associated liability to the extent of its continuing involvement in the transferred asset.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks

The Group's major financial instruments include loans, due to customers, bonds, and other equity instruments, etc. The purpose of these financial instruments is to support daily operations of the Group. The Group also has various financial assets and liabilities arising from operation, such as cash and bank balances, bills receivable, trade receivables, receivables at FVTOCI, other receivables, long-term receivables, bills payable, trade payables, other payables and long-term payables.

The major risks from the Group's financial instruments are credit risk, liquidity risk and market risk. The management will hold meetings at least four times a year to analyse and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from management. Generally, the Group introduces conservative strategies in risk management. As these risks for the Group are kept at a low level, the Group does not use any derivative instrument and other instruments to hedge these risks in the whole year.

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the balances and collection of bills receivable, trade receivables, contract assets and long-term receivables are monitored on an ongoing basis to ensure that the Group's exposure to credit loss is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group. Besides, the Group reviews collections of financial assets at each balance sheet date to ensure sufficient provisions for estimated credit loss have been made for relevant financial assets.

Other financial assets of the Group include cash and bank balances, receivables at FVTOCI, other receivables, debt investments, other debt investments and loans and advances to customers. Credit risk of such financial assets is resulted from defaults of counterparties. The largest risk exposure equals to the carrying amount of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in Note XI. 3 to the financial statements. Substantially all of the Group's cash and bank balances are held in major financial institutions located in the PRC, which management believes are of high credit quality. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limit the amount of credit exposure to any single financial institution.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

The Group adopts the provision matrix based on portfolio to assess the credit losses of trade receivables, except for trade receivables that are individually significant and credit-impaired. The Group's trade receivables involve a large number of customers. Customer type and aging information may reflect these customers' solvency in regard of such trade receivables. The Group's management classifies the trade receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on credit risk characteristics. The Group calculates the historical actual loss rate by different customer types and different aging periods based on historical data and, through regression analysis, determines the relationship between the historical actual loss rate and economic indicators, such as GDP growth, CPI. Based on the forecasted future relevant economic indicators, the Group estimates the credit loss rates. The Group's management classifies contract assets and long-term receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on their credit risk characteristics expect for contract assets or long-term receivables that are individually significant and credit-impaired. On the basis of the historical actual loss rate, the Group takes account of forward-looking information mentioned above and then determines the credit loss rates and provision matrix to evaluate expected credit losses of contract assets and long-term receivables. Except for other receivables that are individually significant and are credit impaired, the Group assesses them individually for credit losses, the Group classifies the other receivables into different portfolios (including related parties and other external units which are taken nature of amounts into comprehensive accounts) based on credit risk characteristics of different types of customers. The Group assesses the expected credit loss of other receivables based on historical actual loss rate and considering the expected loss rate and impairment matrix after adjusting above looking-forward information.

For trade receivables, contract assets and long-term receivables that are individually significant and credit-impaired, the Group made separate credit loss assessment on individual basis. Based on the credit-impaired evidence and forward-looking information, The Group determines the expected credit loss by the difference between carrying amounts of these financial assets and the present value discounted by the original effective interest rate of expected cash flows.

For other financial assets, the Group calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, the credit risk exposure and ECL of trade receivables are disclosed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2023	143,271,083	30,576,721	173,847,804

	Impairment of credit losses		
	Not credit impaired	Credit impaired	Total
1 January 2023	5,232,066	9,983,717	15,215,783
Transferred to impairment of credit losses occurred	(337,398)	337,398	—
Provision for the year	2,635,886	1,931,961	4,567,847
Reversal for the year	(1,062,530)	(274,709)	(1,337,239)
Write-off for the year	—	(7,926)	(7,926)
Transferred in from bills receivable	—	2,014	2,014
Others	(264,028)	(137,714)	(401,742)
31 December 2023	6,203,996	11,834,741	18,038,737

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

The movements of impairment losses on contract assets for the year ended 31 December 2023 are listed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2023	272,286,161	27,544,204	299,830,365

	Provision for impairment of assets		
	Not credit impaired	Credit impaired	Total
1 January 2023	1,342,764	5,340,458	6,683,222
Transferred to impairment of credit losses occurred	(17,688)	17,688	–
Provision for the year	942,207	1,040,417	1,982,624
Reversal for the year	(552,536)	(64,744)	(617,280)
Others	(25,509)	25,204	(305)
31 December 2023	1,689,238	6,359,023	8,048,261

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, the credit risk exposure and ECL of long-term receivables (including current portion of long-term receivables) generated from transactions scoped in ASBE No. 14 are disclosed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2023	86,093,121	2,297,133	88,390,254

	Impairment of credit losses		
	Not credit impaired	Credit impaired	Total
1 January 2023	871,133	869,713	1,740,846
Provision for the year	483,911	334,757	818,668
Reversal for the year	(143,941)	(14,365)	(158,306)
Others	19,766	—	19,766
31 December 2023	1,230,869	1,190,105	2,420,974

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, the credit risk exposure and ECL of debt investments are as follows:

RMB'000

	Stage I 12-months ECL	Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	Total
31 December 2023	3,539,024	897,079	3,444,835	7,880,938

	Stage I 12-months ECL	Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	Total
1 January 2023	44,822	–	1,121,306	1,166,128
Transfer to Stage II	(15,317)	15,317	–	–
Provision for the year	6,912	24,616	662,656	694,184
Reversal for the year	(12,389)	–	–	(12,389)
Write-off for the year	–	–	(40)	(40)
Others	(4,849)	–	–	(4,849)
31 December 2023	19,179	39,933	1,783,922	1,843,034

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2023, external financial guarantees and mortgages for real estate development operations provided by the Group amounted to RMB2,446,537,000 (31 December 2022: RMB2,554,225,000) and RMB29,178,017,000 (31 December 2022: RMB: 31,799,286,000) respectively. Details of financial guarantee contracts are set out in Note XI. 3. Management of the Group assessed overdue status of relevant borrowings, financial position of relevant debtor, and economic condition in the debtor's industry. Management is of the view that relevant credit risk of such part of financial guarantee contract had not increased significantly since initial recognition. Therefore, loss allowance for the Group's financial guarantee contracts were not determined based on the amount of lifetime ECL, but measured at the amount of the future 12-month ECL of the above financial guarantee contracts. In 2023, the Group's assessment method and significant assumptions did not change. The Group had not recognised significant expected loss allowance for guarantees and mortgages based on management's assessment.

As the Group's major customers are PRC government agencies at the national, provincial and local levels and other state-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit facility to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, on 31 December 2023, the Group already had banking facilities from several PRC banks.

The Group's policy is that not more than 75% of the borrowings shall mature in the following 12 months based on the carrying amount of borrowings reflected in the financial statements. As at 31 December 2023, the Group has 39.0% of loans and bonds payable that would expire within one year (As at 31 December 2022: 35.5%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities at the balance sheet date, based on the undiscounted contractual cash flows:

RMB'000

Item	31 December 2023					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	82,899,052	-	-	-	82,899,052
Due to customers	1,356,691	-	-	-	-	1,356,691
Bills payable	-	53,461,242	-	-	-	53,461,242
Trade payables	-	491,567,214	-	-	-	491,567,214
Other payables	-	106,058,137	-	-	-	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	56,404,561	-	-	-	56,404,561
Other current liabilities	-	230,850	-	-	-	230,850
Long-term loans	-	5,664,418	48,080,043	79,218,292	67,519,403	200,482,156
Bonds payable	-	1,726,850	15,919,289	15,489,823	-	33,135,962
Long-term payables (excluding special payables)	-	-	23,719,420	13,602,279	5,145,559	42,467,258
Lease liabilities	-	-	1,606,486	1,747,335	2,296,868	5,650,689
Other non-current liabilities	-	-	-	798,800	-	798,800
Financial guarantees (Note XI.3) (excluding the real estate mortgage guarantee)	2,446,537	-	-	-	-	2,446,537
Total	3,803,228	798,012,324	89,325,238	110,856,529	74,961,830	1,076,959,149

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk (Continued)

RMB'000

Item	31 December 2022					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	–	52,000,221	–	–	–	52,000,221
Due to customers	3,168,603	–	–	–	–	3,168,603
Bills payable	–	89,607,342	–	–	–	89,607,342
Trade payables	–	425,568,938	–	–	–	425,568,938
Other payables	–	100,528,887	–	–	–	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	–	46,011,572	–	–	–	46,011,572
Other current liabilities	–	760,247	–	–	–	760,247
Long-term loans	–	5,089,852	36,647,423	65,167,911	57,279,181	164,184,367
Bonds payable	–	1,596,363	13,436,378	16,150,222	–	31,182,963
Long-term payables (excluding special payables)	–	–	19,716,663	11,396,817	5,191,892	36,305,372
Lease liabilities	–	–	1,160,435	1,199,336	625,184	2,984,955
Other non-current liabilities	–	–	80,000	386,500	–	466,500
Financial guarantees (Note XI. 3) (excluding the real estate mortgage guarantee)	2,554,225	–	–	–	–	2,554,225
Total	5,722,828	721,163,422	71,040,899	94,300,786	63,096,257	955,324,192

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing borrowings, cash and short-term deposits are stated at amortised cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 31 December 2023, floating interest rate loans and fixed interest rate loans accounted for approximately 81.19% and 18.81% (2022: 79.96% and 20.04%) of the Group's borrowings respectively. Management would adjust the proportion of floating and fixed rate loans based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by 0.50% (2022: 0.25%), with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB511,125,000 in 2023 (2022: RMB168,500,000), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 31 December 2023 and the exposure to interest rate risk has been applied to those borrowings in existence at that date. The estimated 0.50% (2022: 0.25%) of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year from now until the end of the next annual reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk (Continued)

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group had not entered into any hedging transactions as at 31 December 2023 in order to reduce the Group's exposure to foreign currency risk in this regard (31 December 2022: Nil).

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange rates of the United States dollar, Euro and Saudi Riyal, with all other variables held constant, of the Group's net profit and shareholder's equity net of tax.

2023:

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	4%	156,976	156,976
Decrease in the United States dollar rate	(4%)	(156,976)	(156,976)
Increase in the Euro rate	4%	(175,721)	(175,721)
Decrease in the Euro rate	(4%)	175,721	175,721
Increase in the Saudi Riyal rate	5%	(6,261)	(6,261)
Decrease in the Saudi Riyal rate	(5%)	6,261	6,261

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

2022:

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease) (restated)	Total equity Increase/ (Decrease) (restated)
Increase in the United States dollar rate	5%	(14,283)	(14,283)
Decrease in the United States dollar rate	(5%)	14,283	14,283
Increase in the Euro rate	4%	(154,940)	(154,940)
Decrease in the Euro rate	(4%)	154,940	154,940
Increase in the Algerian dinar rate	8%	(5,012)	(5,012)
Decrease in the Algerian dinar rate	(8%)	5,012	5,012

The sensitivity analysis above has been determined assuming that the changes in foreign exchange rates had occurred as at 31 December 2023 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in foreign exchange rates over the year from now until the end of the next annual reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximise the value of shareholders and other equity investors.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital in 2023 and 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes all loans, due to customers, other current liabilities, bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding the current portion of long-term employee benefits payable and provisions) and other non-current liabilities less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the balance sheet date are listed as follows:

RMB'000

Item	31 December 2023	31 December 2022 (restated)
Short-term loans	81,839,758	51,367,562
Long-term loans	165,621,478	133,415,428
Due to customers	1,356,691	3,168,603
Bills payable	53,461,242	89,607,342
Trade payables	491,567,214	425,568,938
Other payables	106,058,137	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	54,218,317	45,294,663
Other current liabilities	230,850	760,247
Bonds payable	31,031,549	28,096,696
Long-term payables (excluding special payables)	41,052,575	34,730,991
Lease liabilities	4,080,407	2,451,292
Other non-current liabilities	798,800	466,500
Less: Cash and bank balances	166,957,837	158,424,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management (Continued)

RMB'000

Item	31 December 2023	31 December 2022 (restated)
Net debt	864,359,181	757,032,339
Attributable to shareholders' equity of the Company	309,837,517	290,398,039
Non-controlling interests	107,282,256	95,522,013
Total equity	417,119,773	385,920,052
Total equity and net debt	1,281,478,954	1,142,952,391
Gearing ratio	67%	66%

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

RMB'000

31 December 2023	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	2,723,520	–	2,723,520
Held-for-trading financial assets	467,563	–	1,162,222	1,629,785
Other debt investments	–	5,115,845	–	5,115,845
Current portion of other debt investments	–	6,963,058	–	6,963,058
Other equity instrument investments	1,974,362	–	10,601,209	12,575,571
Held-for-trading financial assets/Other non-current financial assets	169,604	–	10,117,545	10,287,149
Sum of assets under continuous measurement of fair value	2,611,529	14,802,423	21,880,976	39,294,928

RMB'000

31 December 2022	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	3,321,965	–	3,321,965
Held-for-trading financial assets	561,719	–	399,579	961,298
Other debt investments	–	4,934,663	–	4,934,663
Current portion of other debt investments	–	5,959,529	–	5,959,529
Other equity instrument investments	2,000,190	–	9,939,861	11,940,051
Other non-current financial assets	130,535	–	8,257,152	8,387,687
Sum of assets under continuous measurement of fair value	2,692,444	14,216,157	18,596,592	35,505,193

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IX. DISCLOSURE OF FAIR VALUE (Continued)

1. Assets and liabilities measured at fair value (Continued)

Quantitative information of fair value measurement at Level 2:

RMB'000

Item	Fair value as at 31 December 2023	Valuation technique(s)	Key input(s)
Receivables at FVTOCI	2,723,520	Discounted cash flows	Discount rates for bank acceptance bills in the same term
Other debt investments	5,115,845	Discounted cash flows	Market average rate of return with the category in the same term
Current portion of other debt investments	6,963,058	Discounted cash flows	Market average rate of return with the category in the same term
Total	14,802,423	–	–

Quantitative information of fair value measurement at Level 3:

RMB'000

Item	Fair value as at 31 December 2023	Valuation technique(s)	Significant unobservable input(s)
Held-for-trading financial assets	230,850	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other equity instrument investments	10,601,209	Market method	Discount rate for lack of market mobility
Held-for-trading financial assets/Other non-current financial assets – call options for unlisted entities	3,750,616	Binomial tree option pricing model for valuation	Unlisted entities' revenue volatility and unlisted equity investments' comparable entities' stock price volatility
Other non-current financial assets – others	7,298,301	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Sum of assets under continuous measurement of fair value	21,880,976	–	–

Fair value of listed equity instruments is determined based on a quoted market price.

For the year ended 31 December 2023, there was no transfer of fair value measurements between each level for both financial assets and financial liabilities of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

IX. DISCLOSURE OF FAIR VALUE (Continued)

2. Fair value of assets and liabilities that are not measured at fair values

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the financial statements approximate to their fair values except the following items:

RMB'000

Item	Carrying amount		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Long-term loans	39,766,723	34,849,076	39,964,552	35,597,257
Bonds payable	31,031,549	28,096,696	31,099,055	28,109,170

Note: Fair value of long-term loans and bonds payable is determined by discounted future cash flow method, with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 31 December 2023, its own default risk of long-term and short-term loans was evaluated as insignificant.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

Company name	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Railway Construction Corporation	Beijing	Construction and management	RMB9,000,000	51.23	51.23

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

2. Subsidiaries

Please refer to Note XIV. 3(i) "Subsidiaries".

3. Joint venture and associate

Company name	Related party relationship
Anhui Zhenrui Construction Engineering Co., Ltd.	Joint venture
Beijing Jiehai Real Estate Co., Ltd.	Joint venture
Beijing Liuzhuang Real Estate Co., Ltd.	Joint venture
Beijing Ruida Real Estate Co., Ltd.	Joint venture
Beijing Xinda Real Estate Co., Ltd.	Joint venture
Changzhou Jingrui Real Estate Development Co., Ltd.	Joint venture
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	Joint venture
Chengdu Tiecheng Real Estate Co., Ltd.	Joint venture
Chengdu China Railway Huafu Real Estate Co., Ltd.	Joint venture
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	Joint venture
Dalian Wancheng Zhiguang Real Estate Co., Ltd.	Joint venture
Deqing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Dong'e Huicheng Investment Development and Construction Co., Ltd.	Joint venture
Foshan City Shunde District Shunhao Real Estate Co., Ltd.	Joint venture
Fuzhou Xincheng Real Estate Co., Ltd.	Joint venture
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Joint venture
Guangzhou Suiyun Real Estate Co., Ltd.	Joint venture
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Joint venture
Guangzhou Xintie Xinjian Investment Co., Ltd.	Joint venture
Guigang Hesi Quanyu Tourism Development Co., Ltd.	Joint venture
Guiyang Changda Rail Transit Construction Co. Ltd.	Joint venture
Guizhou Guijin Expressway Co., Ltd.	Joint venture
Guizhou Jianli Highway Co., Ltd.	Joint venture
Guizhou Qianzhong Expressway Development Co., Ltd.	Joint venture
Guizhou Tongxin Expressway Development Co., Ltd.	Joint venture
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	Joint venture
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.	Joint venture
Hangzhou Jingke Real Estate Co., Ltd.	Joint venture
Hebei China Railway Cangyan Construction Technology Co., Ltd.	Joint venture
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Joint venture
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.	Joint venture
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	Joint venture
Jinan Kunlun Investment North Industrial Road Construction Co., Ltd.	Joint venture
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	Joint venture
Jiangsu Yinbao Gangkai Construction Co., Ltd.	Joint venture
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Joint venture
Jingxing County Runlian Agricultural Development Co., Ltd.	Joint venture
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Joint venture
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Joint venture
Kunming Qiping Real Estate Co., Ltd.	Joint venture
Kunming Tiexin Construction Management Co., Ltd.	Joint venture
Nanchang Xintiecheng Construction Co., Ltd.	Joint venture
Nanjing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	Joint venture
Ningbo Jingsheng Real Estate Co., Ltd.	Joint venture
Ningbo Jingwan Investment Management Co., Ltd.	Joint venture
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	Joint venture
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	Joint venture
Shanghai Hongjun Real Estate Co., Ltd.	Joint venture
Shijiazhuang Jiasheng Pipe Gallery Engineering Co., Ltd.	Joint venture
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	Joint venture
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	Joint venture
Sichuan Chengmian Cangba Highway Co., Ltd.	Joint venture
Sichuan Danei Expressway Co., Ltd.	Joint venture
Sichuan Langying Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Sichuan Nansuitong Expressway Co., Ltd	Joint venture
Sichuan Suide Expressway Co., Ltd.	Joint venture
Suzhou Jingzhao Real Estate Development Co., Ltd.	Joint venture
Suzhou Ruihua Real Estate Co., Ltd.	Joint venture
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Joint venture
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	Joint venture
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	Joint venture
Tianjin Wanhe Real Estate Co., Ltd.	Joint venture
Tianjin Line 1 Rail Transit Operation Co., Ltd.	Joint venture
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	Joint venture
Xi'an Kaishengda Real Estate Co., Ltd.	Joint venture
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	Joint venture
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	Joint venture
Xuanwei Jingyuan Environmental Protection Co., Ltd	Joint venture
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	Joint venture
Yangxi Yiju Ecological Construction Co., Ltd.	Joint venture
Yunnan Luqiu Guangfu Expressway Investment & Development Co., Ltd.	Joint venture
Yunnan Luxun Highway Co., Ltd.	Joint venture
Changchun Jingde Real Estate Development Co., Ltd.	Joint venture
Changsha Yuchi River Area Development & Investment Co., Ltd.	Joint venture
Changsha Zhicheng Real Estate Co., Ltd.	Joint venture
China-Africa Lekkil Investment Co., Ltd.	Joint venture
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	Joint venture
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Joint venture
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Joint venture
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	Joint venture
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	Joint venture
CRCC Kunlun Yunnan Real Estate Co., Ltd.	Joint venture
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Joint venture
CRCC Shaanxi Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Shaanxi Meitai Expressway Co., Ltd.	Joint venture
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	Joint venture
China Railway Construction & Investment Xi'an City Development Co., Ltd.	Joint venture
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Joint venture
Chongqing Jianlian New Real Estate Development Co., Ltd.	Joint venture
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	Joint venture
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiefa Jianxin Highway Co., Ltd.	Joint venture
Chongqing Tiefa Shuanghe Expressway Co., Ltd.	Joint venture
Chongqing Yusui Fuxian Highway Co., Ltd.	Joint venture
Chongqing Yuxiang Fuxian Highway Co., Ltd.	Joint venture
Anqing Gaotie New Area Construction Investment Co., Ltd.	Associate
Chengdu Yueran Real Estate Co., Ltd.	Associate
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Associate
Fujian Ronghui Construction and Development Co., Ltd.	Associate
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	Associate
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	Associate
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Associate
Gansu tietou Materials Co., Ltd.	Associate
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	Associate
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Fengjian Investment Center (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	Associate
Guangxi Yujin Investment Development Co., Ltd.	Associate
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	Associate
Guangzhou Hongjia Real Estate Co., Ltd.	Associate
Guangzhou Hongxuan Real Estate Co., Ltd.	Associate
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Associate
Guangzhou ShengDu Investment Development Co., Ltd.	Associate
Guigang Western Outer Ring Road Highway Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Guizhou Jinrentong Expressway Development Co., Ltd.	Associate
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	Associate
Guizhou Wengma Railway Limited Co., Ltd.	Associate
CRCC Guizhou Engineering Investment Co., Ltd	Associate
Hangqu Railway Co., Ltd.	Associate
Hangzhou Jiandejiang Investment Co., Ltd.	Associate
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Associate
Hangzhou Xiashalu Tunnel Co., Ltd.	Associate
Henan Optimisation Transportation Industry Investment Co., Ltd.	Associate
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	Associate
Hengda Real Estate (Shenzhen) Co., Ltd.	Associate
Hunan Maglev Transportation Development Co., Ltd.	Associate
Huaibei Zhongsui Construction Development Co., Ltd.	Associate
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	Associate
Jianyang Railway Construction Hexing Highway Investment Co., Ltd.	Associate
Jiangxi Leshui Ecotourism Development Co., Ltd.	Associate
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	Associate
Jintai infrastructure investment (Tianjin) partnership (limited partnership)	Associate
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	Associate
Kunming Fuyi Highway Co., Ltd.	Associate
Kunming Sanqing Highway Co., Ltd.	Associate
Liaocheng Xurui Municipal Engineering Co., Ltd.	Associate
Linyi Xinfenghuang Urban Renewal Co., Ltd.	Associate
CRCC Luoyang Guozhan Development and Construction Co., Ltd	Associate
Maanshan Zhengpu Port Railway Co., Ltd.	Associate
Nanjing Yuanchen Real Estate Co., Ltd.	Associate
Nantong Yanglv Railway Development & Construction Co., Ltd.	Associate
Ningbo Runsheng Real Estate Development Co., Ltd.	Associate
Ningxia Inter-City Railway Co., Ltd.	Associate
Ningxia Chengxin Railway Logistics Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	Associate
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	Associate
Qingyuan Maglev Transportation Co., Ltd.	Associate
Sanmenxia Smart Island Construction Development Co., Ltd.	Associate
Sanya Zhongcheng Real Estate Co., Ltd.	Associate
Shanxi Lihuo Expressway Co., Ltd.	Associate
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	Associate
Shaanxi Danningdong Highway Co., Ltd.	Associate
Shanghai Gangheng Real Estate Co., Ltd.	Associate
Shanghai Jingmiaoxin Real Estate Co., Ltd.	Associate
Shanghai Wanjinglong Real Estate Co., Ltd.	Associate
Shanghai Xinfucheng Real Estate Development Co., Ltd.	Associate
Shanghai Xinjinghui Real Estate Development Co., Ltd.	Associate
Shanghai Xinruicheng Real Estate Development Co., Ltd.	Associate
Sichuan Jinsuiyuan Construction Development Co., Ltd.	Associate
Sichuan Jintou Project Investment Co., Ltd.	Associate
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	Associate
Taiyuan Airport Hub Real Estate Co., Ltd.	Associate
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	Associate
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	Associate
Tianshui Tram Co., Ltd.	Associate
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	Associate
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	Associate
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	Associate
Wantong Intercity Railway Co., Ltd.	Associate
Wuweitongda Highway Construction Co., Ltd.	Associate
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Associate
Wuhan Zhaorui Real Estate Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	Associate
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	Associate
Xuzhou Jiaokong Supply Chain Co., Ltd.	Associate
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	Associate
Yuxi China Railway Infrastructure Construction Co., Ltd.	Associate
Yunnan Chuda Expressway Investment and Development Co., Ltd.	Associate
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	Associate
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Associate
Changchun Chengtou Ecological Governance Construction Investment Co., Ltd.	Associate
Changchun Nonggao Lingfa Park Management Service Co., Ltd.	Associate
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	Associate
Zhejiang Jinsheng Construction Development Co., Ltd.	Associate
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	Associate
CRCC (Shandong) Deshang Highway Co., Ltd.	Associate
CRCC (Shandong) Gaodong Highway Co., Ltd.	Associate
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Associate
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	Associate
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	Associate
CRCC Gansu Zhangbian Highway Co., Ltd.	Associate
China Railway Construction Port and Waterway Bureau Group Changshou Changjiang Second Bridge Construction Co., Ltd.	Associate
CRCC Hunan Expressway Co., Ltd.	Associate
CRCC East China (Cixi) Construction Co., Ltd.	Associate
CRCC Financial Leasing Co., Ltd.	Associate
CRCC Ningxia Highway Co. Ltd.	Associate
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	Associate
CRCC Sichuan Dedu Highway Co., Ltd.	Associate
China Railway Construction Sichuan Dejian Expressway Co., Ltd.	Associate
CRCC-Tongguan Investment Co., Ltd.	Associate
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	Associate
China Railway Construction Investment Guangxi Yuyi Expressway Co., Ltd.	Associate
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	Associate
CRCC Investment Jizhong Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Associate
CRCC Investment Langfang Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	Associate
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Associate
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	Associate
CRCC Investment Weifang City Development and Construction Co., Ltd.	Associate
CRCC Xinjiang Jingxin Expressway Co., Ltd.	Associate
CRCC Real Estate Co., Ltd.	Associate
Zhongxiang Riqing Ecological Governance Co., Ltd.	Associate
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	Associate
Chongqing Monorail Transit Engineering Co., Ltd.	Associate
Chongqing Tiefa Xiusong Highway Co., Ltd.	Associate
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Associate
Zhuhai Jiaojian Engineering Co., Ltd.	Associate
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	Associate

4. Other related parties

Company name	Related party relationship
CRCC JinLi Asset Management Co., Ltd.	Fellow subsidiary
Beijing Tongda Jingcheng Highway Co., Ltd.	Fellow subsidiary

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions

RMB'000

Item	2023	2022
(1) Revenue from construction services <i>Note 1</i>		
Sichuan Chengmian Cangba Highway Co., Ltd.	6,318,169	8,213,598
Chongqing Yuxiang Fuxian Highway Co., Ltd.	4,702,636	4,619,836
CRCC Ningxia Highway Co. Ltd.	3,893,223	5,990,163
Guizhou Qianzhong Expressway Development Co., Ltd.	3,890,511	1,362,158
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	3,780,575	3,729,672
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	3,681,958	170,986
Guizhou Jianli Highway Co., Ltd.	3,550,370	3,408,726
Hangqu Railway Co., Ltd.	3,298,317	1,938,618
Guiyang Changda Rail Transit Construction Co. Ltd.	3,010,126	2,343,534
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	3,003,042	1,631,255
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	2,621,108	3,115,384
CRCC Shaanxi Meitai Expressway Co., Ltd.	2,535,094	2,288,387
CRCC Investment Jizhong Development and Construction Co., Ltd.	2,316,107	3,795,212
Kunming Fuyi Highway Co., Ltd.	2,272,071	2,035,120
China Railway Construction Investment Guangxi Yuyi Expressway Co., Ltd.	2,076,927	224,259
Guizhou Jinrentong Expressway Development Co., Ltd.	2,072,228	1,860,445
Guizhou Guijin Expressway Co., Ltd.	2,045,375	3,543,688
Yunnan Luxun Highway Co., Ltd.	1,853,161	9
Sichuan Nansuitong Expressway Co., Ltd.	1,809,974	803,046
Nantong Yanglv Railway Development & Construction Co., Ltd.	1,768,560	470,878
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	1,749,804	996,233
Kunming Sanqing Highway Co., Ltd.	1,703,139	3,185,700

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item	2023	2022
(1) Revenue from construction services (Continued)		
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	1,523,235	1,386,328
Chongqing Yusui Fuxian Highway Co., Ltd.	1,519,020	–
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	1,241,979	1,306,308
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	1,200,581	1,043,291
Sichuan Langying Highway Co., Ltd.	1,200,037	–
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	1,182,824	1,461,657
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	1,168,739	1,305,979
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	1,167,209	914,014
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	1,161,983	407,141
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	1,138,442	438,374
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	1,125,369	1,198,599
Shaanxi Danningdong Highway Co., Ltd.	1,123,821	882,641
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	1,085,173	2,203,809
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	1,032,706	908,513
Guizhou Tongxin Expressway Development Co., Ltd.	1,012,659	1,600,997
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	903,787	1,409,931
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	854,300	1,404,571
Ningxia Inter-City Railway Co., Ltd.	692,777	257,653

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item	2023	2022
(1) Revenue from construction services (Continued)		
Chongqing Tiefa Shuanghe Expressway Co., Ltd.	600,817	1,274,336
Yunnan Chuda Expressway Investment and Development Co., Ltd.	532,545	1,118,739
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	507,054	2,835,759
CRCC Luoyang Guozhan Development and Construction Co., Ltd.	502,980	957,913
Jingxing County Runlian Agricultural Development Co., Ltd.	396,905	809,967
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	311,052	300,709
Xuanwei Jingyuan Environmental Protection Co., Ltd.	298,967	804,049
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	274,684	722,607
Shanxi Lihuo Expressway Co., Ltd.	261,885	1,267,950
Chongqing Tiefa Jianxin Highway Co., Ltd.	227,276	1,206,386
Yunnan Kunchu Highway Investment & Development Co., Ltd.	219,656	1,337,149
Sichuan Danei Expressway Co., Ltd.	183,234	978,160
Sichuan Suide Expressway Co., Ltd.	43,883	1,790,002
Hangzhou Xiashalu Tunnel Co., Ltd.	36,396	737,556
Total	88,684,450	89,997,995
(2) Revenue from sales of goods		
Xuzhou Jiaokong Supply Chain Co., Ltd.	580,088	648,087
CRCC Financial Leasing Co., Ltd.	528,104	854,579
Anhui Zhenrui Construction Engineering Co., Ltd.	405,013	261,336
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	21,238	15,674
CRCC Xinjiang Jingxin Expressway Co., Ltd.	11,947	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item		2023	2022
Total		1,546,390	1,779,676
(3) Other incomes	<i>Note 3</i>		
Fuzhou Xincheng Real Estate Co., Ltd.		71,554	794
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.		69,623	108,203
Beijing Ruida Real Estate Co., Ltd.		60,564	58,633
Beijing Jiehai Real Estate Co., Ltd.		57,638	31,222
Wuhan Zhaorui Real Estate Co., Ltd.		51,792	97,886
Xi'an Kaishengda Real Estate Co., Ltd.		45,178	–
Kunming Qiping Real Estate Co., Ltd.		44,272	45,842
Guangzhou Shengdu Investment Development Co., Ltd.		41,560	63,709
China Railway Construction Corporation	<i>Note 4</i>	39,534	79,561
Chengdu Tiecheng Real Estate Co., Ltd.		39,010	20,494
Guangzhou Suiyun Real Estate Co., Ltd.		36,182	37,467
Suzhou Jingzhao Real Estate Development Co., Ltd.		35,468	2,111
CRCC Real Estate Co., Ltd.		29,559	66,000
CRCC-Tongguan Investment Co., Ltd.		26,317	26,401
Chengdu Yueran Real Estate Co., Ltd.		26,033	37,572
Guangzhou Nansha Kecheng Investment Development Co., Ltd.		25,926	25,350
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		23,430	33,420
China Railway Construction & Investment Xi'an City Development Co., Ltd.		22,987	25,840
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		21,998	66,704
Total		768,625	827,209

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

RMB'000

Item		2023	2022
(4) Purchase of goods or receipt of services	Note 5		
Xuzhou Jiaokong Supply Chain Co., Ltd.		545,213	177,815
Jinan Rail China Railway Segment Manufacturing Co., Ltd.		302,952	15,722
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.		263,772	16,229
Gansu Tietou Materials Co., Ltd.		124,032	293,128
CRCC Financial Leasing Co., Ltd.		94,755	234,071
Zhuhai Jiaojian Engineering Co., Ltd.		67,552	20,544
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.		34,651	144,413
Chongqing Monorail Transit Engineering Co., Ltd.		7,150	99,126
Total		1,440,077	1,001,048
(5) Other expenses	Note 5		
Guangzhou Xintie Xinjian Investment Co., Ltd.		131,059	145,984
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.		127,500	87,000
China Railway Construction Corporation	Note 4	52,861	59,473
CRCC JinLi Asset Management Co., Ltd.	Note 4	15,005	16,941
CRCC Xinjiang Jingxin Expressway Co., Ltd.		3,255	7,977
CRCC Ningxia Highway Co. Ltd.		2,619	8,571
CRCC Shaanxi Highway Co., Ltd.		—	7,357
Total		332,299	333,303

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

(6) Related party leasing

As the lessee:

RMB'000

Lessor		Leasing asset types	Amount recognised in the current year	Amount recognised in the prior year
CRCC Financial Leasing Co., Ltd.	<i>Note 6</i>	Machinery	1,976,765	1,814,148
China Railway Construction Corporation	<i>Note 4, Note 6</i>	Buildings	97,091	66,588
CRCC JinLi Asset Management Co., Ltd.	<i>Note 4, Note 6</i>	Buildings	36,587	33,270
Total		–	2,110,443	1,914,006

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

(7) Guarantees granted to a related party

31 December 2023:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	623,347	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	538,020	23 August 2023	30 December 2027	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	398,040	14 June 2022	21 December 2031	No
Wuhan Zhaorui Real Estate Co., Ltd.	191,100	9 July 2021	27 March 2024	No
Total	1,750,507	–	–	–

31 December 2022:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	637,761	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	371,102	9 July 2021	27 March 2024	No
Wuhan Zhaorui Real Estate Co., Ltd.	245,000	17 August 2022	26 July 2025	No
CRCC-Tongguan Investment Co., Ltd.	411,608	17 March 2014	30 December 2023	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	225,525	14 June 2022	21 December 2031	No
CRCC-Tongguan Investment Co., Ltd.	208,938	13 June 2019	13 June 2024	No
CRCC-Tongguan Investment Co., Ltd.	42,940	20 May 2015	20 November 2023	No
Total	2,142,874	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Major related party transactions (Continued)

(8) Key management's remuneration

RMB'000

Item	2023	2022
Key management's remuneration	18,536	32,782

Note 1: The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.

Note 2: The terms of the sales agreements of goods entered into by the Group and related parties were mutually agreed by the parties.

Note 3: The terms of the agreements relating to rendering of or receiving other services entered into by the Group and related parties were mutually agreed by the parties. The other income from related parties was mainly interest income from loans receivable.

Note 4: The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 5: The terms of the purchase agreements of goods and services entered into by the Group and related parties were mutually agreed by the parties.

Note 6: The lease fees recognised by the group and its affiliated companies are the lease payments paid by the group to repay the lease liabilities in the current period and the short-term lease and low-value assets lease expenses included in the current profit and loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Bills receivable <i>Note 1</i>				
Guansu Gonghanglv Longzhang Expressway Management Co., Ltd.	300,000	1,500	–	–
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	90,000	450	193,104	966
Xilinhote China Railway Municipal Infrastructure Construction Co., Ltd.	46,000	230	70,000	350
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	–	–	353,805	354
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	–	–	240,000	240
Total	436,000	2,180	856,909	1,910
Trade receivables <i>Note 1</i>				
CRCC Luoyang guozhan development and Construction Co., Ltd.	761,448	17,154	698,937	2,667
Anhui Zhenrui Construction Engineering Co., Ltd.	402,153	1,263	411,910	1,891
CRCC Shaanxi Meitai Expressway Co., Ltd.	335,691	356	27,219	136
Tianjin Bincheng Meihao Shenghuo Co., Ltd.	322,423	1,575	147,837	4,016
Zhejiang Jinsheng Construction Development Co., Ltd.	302,676	1,493	–	–
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	292,075	1,499	179,432	179
Yuxi China Railway Infrastructure Construction Co., Ltd.	248,692	7,369	328,762	8,369
Guizhou Jinrentong Expressway Development Co., Ltd.	241,859	242	–	–
Guansu Gonghanglv Longzhang Expressway Management Co., Ltd.	236,130	236	171,493	171
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	235,678	1,178	104,313	44
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	224,995	1,125	76,803	77
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.	215,029	215	66,121	66

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)				
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	204,969	250	301,605	311
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	184,082	1,594	–	–
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	182,453	906	179,479	240
Suzhou Jingzhao Real Estate Development Co., Ltd.	175,133	489	36,100	36
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	174,267	174	–	–
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.	163,795	2,886	209,514	210
Yangxi Yiju Ecological Construction Co., Ltd.	163,058	907	–	–
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	160,679	1,042	113,060	350
Huaibei Zhongsui Construction Development Co., Ltd.	155,445	265	–	–
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	152,290	761	72,150	361
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	136,892	1,619	90,272	540
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	135,078	11,841	183,913	11,535
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	135,028	1,514	–	–
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	134,110	1,164	125,948	126
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	132,648	663	–	–
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	128,675	812	310	140
Tianshui Tram Co., Ltd.	124,453	679	83,608	418
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	114,595	951	–	–
Nanchang Xintiecheng Construction Co., Ltd.	106,468	532	19,017	95
Ningxia Chengxin Railway Logistics Co., Ltd.	106,209	531	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)				
Chongqing Tiefa Jianxin Highway Co., Ltd.	104,767	1,758	254,738	857
Qingyuan Maglev Transportation Co., Ltd.	95,822	483	296,442	344
CRCC Kunlun Yunnan Real Estate Co., Ltd.	72,743	416	212,767	1,019
CRCC Financial Leasing Co., Ltd.	64,807	243	114,334	4,481
China-Africa Lekkil Investment Co., Ltd.	58,426	58	106,553	107
Foshan City Shunde District Shunhao Real Estate Co., Ltd.	52,649	58	123,955	119
Kunming Sanqing Highway Co., Ltd.	44,216	540	320,947	321
Wuweitongda Highway Construction Co., Ltd.	42,143	1,134	164,753	940
Jiangxi Leshui Ecotourism Development Co., Ltd.	37,359	1,358	131,307	4,699
Xuanwei Jingyuan Environmental Protection Co., Ltd.	25,253	5,640	102,148	511
Jingxing County Runlian Agricultural Development Co., Ltd.	5,036	5	381,400	776
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	4,076	35	185,909	216
CRCC Investment Jizhong Development and Construction Co., Ltd.	3,961	4	261,434	1,270
Total	7,400,434	75,017	6,284,490	47,638
Loans and advances to customers				
China Railway Construction Corporation	1,650,000	45,375	1,400,000	36,750
Hangqu Railway Co., Ltd.	85,000	3,320	85,000	3,060
Total	1,735,000	48,695	1,485,000	39,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023		31 December 2022	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables					
Tianjin Wanhe Real Estate Co., Ltd.	Note 2	2,537,172	505,619	2,675,213	222,714
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Note 2	1,633,436	1,691	1,680,766	1,738
Guangzhou Shengdu Investment Development Co., Ltd.	Note 2	1,344,976	1,345	1,264,879	1,265
Beijing Ruida Real Estate Co., Ltd.	Note 2	1,341,562	1,342	1,308,531	1,309
Wuhan Zhaorui Real Estate Co., Ltd.	Note 2	1,124,439	1,124	1,555,594	1,556
Shanghai Wanjinglong Real Estate Co., Ltd.	Note 2	1,082,998	1,083	–	–
Beijing Jiehai Real Estate Co., Ltd.	Note 2	972,944	973	854,752	855
China Railway Construction & Investment Xi'an City Development Co., Ltd		969,360	28,597	743,063	3,074
CRCC Guizhou Engineering Investment Co., Ltd		913,446	150,588	701,045	34,491
Chengdu Tiecheng Real Estate Co., Ltd.	Note 2	822,791	823	788,473	788
Guangzhou Suiyun Real Estate Co., Ltd.	Note 2	785,102	64,595	746,749	4,951
Kunming Qiping Real Estate Co., Ltd.	Note 2	643,421	643	582,380	582
Nanjing Yuanchen Real Estate Co., Ltd.	Note 2	643,080	643	803,080	803
Ningbo Jingwan Investment Management Co., Ltd.	Note 2	522,350	522	504,377	501
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Note 2	494,197	280,075	418,892	419
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Note 2	491,046	491	465,391	465
Chengdu Yueran Real Estate Co., Ltd.	Note 2	464,849	465	563,459	563
Changchun Jingde Real Estate Development Co., Ltd.	Note 2	446,350	440	416,311	416
Guangzhou Xintie Xinjian Investment Co., Ltd.		440,035	243	3,710	4
Fuzhou Xincheng Real Estate Co., Ltd.	Note 2	434,727	435	354,955	355

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023		31 December 2022	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables (Continued)					
Suzhou Jingzhao Real Estate Development Co., Ltd.	Note 2	395,602	396	703,962	704
Taiyuan Airport Hub Real Estate Co., Ltd.	Note 2	386,109	2,867	526,896	527
Beijing Liuzhuang Real Estate Co., Ltd.	Note 2	311,282	311	310,648	311
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		304,753	1,525	487,876	2,487
Xi'an Kaishengda Real Estate Co., Ltd.	Note 2	283,165	283	–	–
Deqing Jingsheng Real Estate Development Co., Ltd.	Note 2	278,714	279	393,068	393
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	Note 2	240,046	240	83,857	206
China Railway Construction Sichuan Dejian Expressway Co., Ltd.		206,592	1,196	637	1
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Note 2	206,228	206	–	–
Guangxi Yujin Investment Development Co., Ltd.	Note 2	152,142	761	169,486	275
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.		150,011	750	–	–
Chongqing Jianlian New Real Estate Development Co., Ltd.	Note 2	132,013	132	142,208	142
Sanya Zhongcheng Real Estate Co., Ltd.	Note 2	126,487	16,521	103,899	7,559
Suzhou Ruihua Real Estate Co., Ltd.	Note 2	121,981	122	121,981	122
CRCC (Shandong) Gaodong Highway Co., Ltd.		120,000	600	–	–
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.		114,473	572	201,550	1,008
Beijing Xinda Real Estate Co., Ltd.	Note 2	113,246	76,484	2,447,036	76,484
Changsha Zhicheng Real Estate Co., Ltd.	Note 2	112,167	349	–	–
Foshan City Shunde District Shunhao Real Estate Co., Ltd.	Note 2	47,956	47,956	725,744	48,632
Nanjing Jingsheng Real Estate Development Co., Ltd.	Note 2	818	1	660,747	661
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.		504	15	609,350	3,255
Ningbo Jingsheng Real Estate Co., Ltd.	Note 2	–	–	1,516,445	16
Total		21,912,570	1,193,303	25,637,010	419,632

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2023		31 December 2022	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables					
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Note 2	2,391,047	2,391	–	–
CRCC Investment Jizhong Development and Construction Co., Ltd.		977,308	5,357	1,231,941	6,448
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Note 2	745,411	430,829	939,737	353,594
Chengdu Tiecheng Real Estate Co., Ltd.	Note 2	689,065	689	–	–
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		641,070	3,634	458,501	2,400
Hohhot Metro Line 2 Construction & Management Co., Ltd.		537,662	45,770	536,761	45,768
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.		480,000	2,400	480,000	2,400
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		438,948	2,287	39	39
Yuxi China Railway Infrastructure Construction Co., Ltd.		409,681	2,048	456,651	2,283
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.		374,617	1,873	22,761	114
CRCC Sichuan Dedu Highway Co., Ltd.		319,892	1,599	–	–
Tianjin Bincheng Meihao Shenghuo Co., Ltd.		306,882	1,534	89,251	446
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.		302,376	1,528	289,257	1,446
Anqing Gaotie New Area Construction Investment Co., Ltd.		301,440	1,507	334,805	335
Jiangsu Yinbao Gangkai Construction Co., Ltd.		299,857	1,499	282,662	283
Sichuan Jinsuiyuan Construction Development Co., Ltd.		272,189	1,426	–	–
Dong'e Huicheng Investment Development and Construction Co., Ltd.		272,127	1,362	96,197	481
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		217,478	1,087	9,889	49
Shanghai Gangheng Real Estate Co., Ltd.	Note 2	168,484	842	326,366	1,632

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (Continued)				
CRCC Investment Langfang Development and Construction Co., Ltd.	157,718	789	142,692	143
Wantong Intercity Railway Co., Ltd.	152,834	894	172,169	857
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	140,104	701	425,101	438
Taiyuan Airport Hub Real Estate Co., Ltd. <i>Note 2</i>	136,836	419	133,051	934
Changzhou Jingrui Real Estate Development Co., Ltd. <i>Note 2</i>	131,131	606	198,065	1,103
Changsha Zhicheng Real Estate Co., Ltd. <i>Note 2</i>	83,978	840	179,843	1,774
Chongqing Tiefu Jianxin Highway Co., Ltd.	53,066	51	145,570	898
Chongqing Tiefu Shuanghe Expressway Co., Ltd.	4,144	4	225,937	1,125
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	–	–	239,792	1,196
Total	11,005,345	513,966	7,417,038	426,186

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023		31 December 2022	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Debt investments				
Hengda Real Estate (Shenzhen) Co., Ltd.	2,927,357	1,706,991	2,927,357	1,080,312
Liaocheng Xurui Municipal Engineering Co., Ltd.	551,580	2,758	538,818	2,694
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	524,058	524	519,081	474
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	517,478	76,930	406,885	40,994
CRCC-Tongguan Investment Co., Ltd.	363,980	364	637,663	638
Linyi Xinfenghuang Urban Renewal Co., Ltd.	150,000	7,500	260,000	13,000
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	134,505	673	–	–
China Railway Construction port and Waterway Bureau Group Changshou Changjiang Second Bridge Construction Co., Ltd.	90,510	331	330,736	317
Changchun Nonggao Lingfa Park Management Service Co., Ltd.	85,574	428	56,093	280
Sanmenxia Smart Island Construction Development Co., Ltd.	71,264	356	68,170	341
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	68,669	69	231,134	200
Total	5,484,975	1,796,924	5,975,937	1,139,250

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Bills payable		
CRCC Financial Leasing Co., Ltd.	56,862	99,026
Xuzhou Jiaokong Supply Chain Co., Ltd.	54,534	160,183
Gansu Tietou Materials Co., Ltd.	45,000	124,433
Total	156,396	383,642
Trade payables		
	<i>Note 1</i>	
Xuzhou Jiaokong Supply Chain Co., Ltd.	145,665	89,014
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	141,016	11,030
Gansu Tietou Materials Co., Ltd.	99,006	15,381
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	72,168	40,510
CRCC Financial Leasing Co., Ltd.	71,377	48,084
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	62,603	12,431
Hebei China Railway Cangyan Construction Technology Co., Ltd.	36,692	34,975
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	33,286	15,623
Henan Optimisation Transportation Industry Investment Co., Ltd.	28,289	31,862
Kunming Tiexin Construction Management Co., Ltd.	21,727	32,602
Total	711,829	331,512

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Contract liabilities		
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	468,458	192,550
Sichuan Nansuitong Expressway Co., Ltd.	383,089	552,680
Guigang Western Outer Ring Road Highway Co., Ltd.	188,896	72,853
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	154,420	—
Guigang Hesi Quanyu Tourism Development Co., Ltd.	95,000	33
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	83,479	—
Changchun Chengtou Ecological Governance Construction Investment Co., Ltd.	79,700	—
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	75,470	—
Foshan Road and Bridge Prefabricated Components Co., Ltd.	63,645	—
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	47,085	96,622
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	43,151	—
CRCC Xinjiang Jingxin Expressway Co., Ltd.	41,307	6,871
Sichuan Jintou Project Investment Co., Ltd.	40,985	2,392
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	40,000	—
Sichuan Langying Highway Co., Ltd.	34,796	—
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	34,002	—
Hunan Maglev Transportation Development Co., Ltd.	33,124	151

Note 4

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Contract liabilities (Continued)		
<i>Note 4</i>		
Zhongxiang Riqing Ecological Governance Co., Ltd.	32,447	26,421
Fujian Ronghui Construction and Development Co., Ltd.	31,433	3,460
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	30,967	–
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	–	1,246,764
Yunnan Luqiu Guangfu Expressway Investment & Development Co., Ltd.	–	737,000
Chongqing Yuxiang Fuxian Highway Co., Ltd.	–	504,415
Total	2,001,454	3,442,212
Other payables		
<i>Note 1</i>		
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	1,280,859	–
Guangzhou Xintie Xinjian Investment Co., Ltd.	1,231,252	2,450,946
Shanghai Xinjinghui Real Estate Development Co., Ltd.	803,516	294,722
Shanghai Jingmiaoxin Real Estate Co., Ltd.	718,274	45,301
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	667,315	44,368
Ningbo Runsheng Real Estate Development Co., Ltd.	598,201	–
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	501,960	64,645

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Other payables (Continued)		
<i>Note 1</i>		
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	492,379	67,131
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	484,470	243,320
CRCC Sichuan Dedu Highway Co., Ltd.	407,217	431,004
Yunnan Kunchu Highway Investment & Development Co., Ltd.	336,312	34,472
Chongqing Tiefa Jianxin Highway Co., Ltd.	324,262	5,580
Yuxi China Railway Infrastructure Construction Co., Ltd.	280,000	—
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	279,250	134,250
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	271,076	271,354
CRCC Hunan Expressway Co., Ltd.	260,766	144,672
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	258,216	9,341
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	254,308	10,749
Shanghai Xinfucheng Real Estate Development Co., Ltd.	253,264	134,985
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	248,846	—
Nanjing Jingsheng Real Estate Development Co., Ltd.	240,177	5
CRCC Gansu Zhangbian Highway Co., Ltd.	237,522	266,178
CRCC (Shandong) Deshang Highway Co., Ltd.	220,300	133,924
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	219,982	353,332
Shanghai Xinruicheng Real Estate Development Co., Ltd.	218,638	251,248
Tianjin Line 1 Rail Transit Operation Co., Ltd.	205,862	139,866

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Other payables (Continued)		
CRCC Ningxia Highway Co. Ltd.	185,991	34,876
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	185,151	42,841
Guizhou Tongxin Expressway Development Co., Ltd.	176,777	1,688
Sichuan Nansuitong Expressway Co., Ltd.	172,457	3,815
Hangzhou Jingke Real Estate Co., Ltd.	171,207	173,502
Changsha Yuchi River Area Development & Investment Co., Ltd.	169,330	85,480
Beijing Tongda Jingcheng Highway Co., Ltd.	165,110	82,281
Kunming Fuyi Highway Co., Ltd.	164,077	64,455
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	151,772	360,000
Chongqing Tiefa Xiusong Highway Co., Ltd.	148,213	9,615
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	147,723	38,233
Shanghai Hongjun Real Estate Co., Ltd.	143,820	92,820
CRCC East China (Cixi) Construction Co., Ltd.	140,835	16
Jinan Kunlun Tougong North Construction Co., Ltd.	131,835	–
CRCC Investment Weifang City Development and Construction Co., Ltd.	128,468	108,217
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.	126,977	–
Hohhot Metro Line 2 Construction & Management Co., Ltd.	124,935	20,196
CRCC Kunlun Yunnan Real Estate Co., Ltd.	123,572	150,246
CRCC Real Estate Co., Ltd.	119,922	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Other payables (Continued)		
Guangzhou Hongxuan Real Estate Co., Ltd.	118,489	215,572
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	115,625	39,900
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	112,751	66,373
Xuanwei Jingyuan Environmental Protection Co., Ltd.	108,052	59,982
Shijiazhuang Jiasheng Pipe Gallery Engineering Co., Ltd.	107,725	126,105
Sichuan Suide Expressway Co., Ltd.	106,952	46,860
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	104,574	84,545
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	84,449	140,567
Chongqing Yusui Fuxian Highway Co., Ltd.	74,309	264,447
Maanshan Zhengpu Port Railway Co., Ltd.	69,400	144,400
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	68,215	276,521
Guangzhou Hongjia Real Estate Co., Ltd.	66,899	186,852
Dalian Wancheng Zhiguang Real Estate Co., Ltd.	59,852	117,973
Changzhou Jingrui Real Estate Development Co., Ltd.	50,603	450,751
Chengdu China Railway Huafu Real Estate Co., Ltd.	50,108	146,242
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	38,092	122,181
Guizhou Jianli Highway Co., Ltd.	32,125	357,711
CRCC (Shandong) Gaodong Highway Co., Ltd.	5,962	240,248
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	5,278	113,377
Total	15,551,856	10,000,281
Advances to suppliers		
CRCC Financial Leasing Co., Ltd.	62,994	101,590
Total	62,994	101,590

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Due to customers		
CRCC JinLi Asset Management Co., Ltd.	560,642	756,517
CRCC Financial Leasing Co., Ltd.	204,035	298,160
Guangzhou Xintie Xinjian Investment Co., Ltd.	179,280	65,083
China Railway Construction Corporation	166,979	292,709
China-Africa Lekkil Investment Co., Ltd.	82,380	47,353
Guangzhou ShengDu Investment Development Co., Ltd.	61,540	46,207
Hangzhou Jiandejiang Investment Co., Ltd.	51,826	143,168
Ningbo Jingsheng Real Estate Co., Ltd.	147	1,500,543
Total	1,306,829	3,149,740
Long-term loans (including current portion)		
China Railway Construction Corporation	1,423,276	1,297,366
Total	1,423,276	1,297,366
Lease liabilities (including current portion)		
CRCC Financial Leasing Co., Ltd.	1,796,707	1,544,252
China Railway Construction Corporation	37,001	40,565
Total	1,833,708	1,584,817

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2023	31 December 2022
Long-term payables (including current portion)		
Guoshu Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	578,311	609,083
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	440,839	457,450
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	374,943	553,082
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	349,362	683,961
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	345,708	433,861
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	158,582	–
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	137,419	241,753
CRCC Financial Leasing Co., Ltd.	74,563	31,607
Jintai infrastructure investment (Tianjin) partnership (limited partnership)	58,512	115,498
Guangde CRCC Blue Ocean Fengjian Investment Center (Limited Partnership)	–	78,705
Total	2,518,239	3,205,000

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

6. Major amounts due from/to related parties (Continued)

- Note 1:* The amounts due from/to related parties were interest-free, unsecured, and had no fixed terms of repayment.
- Note 2:* The amounts due from related parties were loans for cooperative development project from the Group's real estate development operation segments, with the interest rate agreed in the contracts.
- Note 3:* The amounts due from the Controlling Shareholder and associates were borrowings from CRCC Finance Company Limited.
- Note 4:* The amounts were mainly advances from related parties and were interest-free.
- Note 5:* The amounts due to the Group's related parties were deposits in CRCC Finance Company Limited.
- Note 6:* The amounts were appropriations from the Ministry of Finance to the Controlling Shareholder and considered as the entrusted loans granted to the Group by the Controlling Shareholder. The interest rate of such entrusted loans was determined by the Loan Prime Rate published by National Interbank Funding Center.

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

RMB'000

	31 December 2023	31 December 2022
Contracted, but not provided for:		
Capital commitments	3,806,127	2,131,496
Investment commitments	69,708,257	69,984,621
Total	73,514,384	72,116,117

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XI. COMMITMENTS AND CONTINGENCIES (Continued)

3. Guarantees

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Group	31 December 2023	31 December 2022
Associates	1,750,507	2,142,874
Other entities	696,030	411,351
Total	2,446,537	2,554,225

The above guarantees exclude guarantees in respect of the banking facilities other than mortgages. As at 31 December 2023, the Group's guarantees (excluding guarantees in respect of the banking facilities other than mortgages) amounted to RMB2,446,537,000 (31 December 2022: RMB2,554,225,000), the guarantees in respect of mortgages amounted to RMB29,178,017,000 (31 December 2022: RMB31,799,286,000). Until now, the guarantees rarely defaulted payments to the banks, thus the Group considered the risks related to the guarantees were low and the fair value was immaterial.

The above guarantees in respect of mortgages were granted to the purchasers of the Group's properties and secured by the mortgages.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XI. COMMITMENTS AND CONTINGENCIES (Continued)

3. Guarantees (Continued)

The Company had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Company	31 December 2023	31 December 2022
Subsidiaries	11,710,103	17,063,311
Associates	—	454,548
Other entities	405,931	293,449
Total	12,116,034	17,811,308

In addition, no interest-bearing bank and other loans of the Company were guaranteed by the subsidiaries of the Company as at 31 December 2023 (31 December 2022: Nil).

XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Pursuant to the resolution approved in the 5th session of the 27th board of directors meeting of the Company held on 27 March 2024, the Board of Directors proposed that cash dividends may be distributed to all shareholders by the Company at RMB3.50 per 10 shares (i.e. cash dividend of RMB0.35 per share). The cash dividend of RMB4,752,840,000 is proposed to be distributed based on the issued shares of 13,579,541,500, and the above proposal is yet to be approved by the shareholders' general meeting.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS

1. Segment reporting

Operating segments

For management purposes, the Group is organised into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The planning, design and consultancy operations segment engages in the provision of planning, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- (3) The manufacturing operations segment engages in the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- (4) The real estate development operations segment engages in the development, construction and sale of residential properties and commercial properties; and
- (5) The other business operations segment mainly comprises trade and logistics, finance and insurance and highway operation service.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment reporting (Continued)

Operating segments (Continued)

RMB'000

	Construction operations	Planning, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
2023:							
Revenue from external customers	965,113,809	18,517,503	19,200,261	83,271,759	51,890,154	-	1,137,993,486
Inter-segment sales	22,210,694	236,476	4,799,079	-	43,975,629	(71,221,878)	-
Total	987,324,503	18,753,979	23,999,340	83,271,759	95,865,783	(71,221,878)	1,137,993,486
Share of profits/(losses) of joint ventures and associates	645,829	(459)	251,384	258,361	(590,128)	-	564,987
Impairment of credit losses and impairment losses on assets	(6,812,837)	(460,991)	(210,319)	(2,231,079)	(226,005)	-	(9,941,231)
Depreciation and amortisation	(17,719,957)	(412,263)	(1,435,871)	(297,078)	(1,440,790)	-	(21,305,959)
Profit before tax	26,625,512	3,934,581	2,555,303	3,021,722	2,378,500	312,534	38,828,152
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	27,038,439	789,407	3,645,677	2,569,184	8,068,428	-	42,111,135
Segment assets (Note 1)	1,211,379,893	39,089,326	58,104,235	379,148,288	352,244,035	(376,946,199)	1,663,019,578
Segment liabilities (Note 2)	954,493,054	14,809,678	30,876,710	311,123,245	297,137,937	(362,540,819)	1,245,899,805
Other disclosures:							
Long-term equity investments in joint ventures and associates	127,280,722	4,494,805	2,153,821	11,313,268	4,035,741	-	149,278,357

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment reporting (Continued)

Operating segments (Continued)

RMB'000

	Construction operations	Planning, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
2022:							
Revenue from external customers	939,366,100	20,181,756	21,747,067	62,253,669	52,764,275	-	1,096,312,867
Inter-segment sales	25,349,706	114,101	2,985,249	-	42,734,243	(71,183,299)	-
Total	964,715,806	20,295,857	24,732,316	62,253,669	95,498,518	(71,183,299)	1,096,312,867
Share of (losses)/profits of joint ventures and associates	(2,007,783)	(19,127)	190,235	429,315	278,162	-	(1,129,198)
Impairment of credit losses and impairment losses on assets	(6,112,637)	(163,265)	(30,749)	(1,945,245)	313,158	-	(7,938,738)
Depreciation and amortisation	(17,795,084)	(284,388)	(1,200,764)	(56,667)	(1,184,088)	-	(20,520,991)
Profit before tax	24,239,316	4,005,605	2,787,768	3,705,185	3,589,817	(503,229)	37,824,462
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	18,731,241	219,571	1,621,993	1,237,873	8,449,616	-	30,260,294
31 December 2022							
Segment assets (Note 1) (restated)	1,055,878,765	35,697,660	53,178,764	356,663,483	358,375,471	(335,880,562)	1,523,913,581
Segment liabilities (Note 2) (restated)	822,409,451	14,398,058	27,229,770	299,820,355	301,971,420	(327,835,525)	1,137,993,529
Other disclosures:							
Long-term equity investments in joint ventures and associates	108,629,494	3,678,874	1,997,313	10,247,930	3,431,627	-	127,985,238

Note 1: Segment assets do not include deferred tax assets of RMB11,211,912,000 (31 December 2022: RMB9,103,023,000) and advance payment of corporate income tax of RMB2,444,248,000 (31 December 2022: RMB2,002,157,000), as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB390,602,359,000 (31 December 2022: RMB346,985,742,000) are eliminated on consolidation.

Note 2: Segment liabilities do not include deferred tax liabilities of RMB2,008,603,000 (31 December 2022: RMB1,624,833,000) and corporate income tax payable of RMB4,279,976,000 (31 December 2022: RMB3,320,134,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB368,829,398,000 (31 December 2022: RMB332,780,492,000) are eliminated on consolidation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

1. Segment reporting (Continued)

Group information

Geographical information

Revenue from external customers

RMB'000

	2023	2022
Mainland China	1,077,683,620	1,042,234,340
Outside Mainland China	60,309,866	54,078,527
Total	1,137,993,486	1,096,312,867

Total non-current assets (Note)

RMB'000

	31 December 2023	31 December 2022
Mainland China	301,995,741	266,759,538
Outside Mainland China	15,507,623	13,325,386
Total	317,503,364	280,084,924

In the geographical information above, revenue from external customers is based on the locations of the customers. Non-current asset information above is based on the locations of the non-current assets.

Note: Non-current assets consisted of investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, long-term prepaid expenses and investments in joint ventures and associates.

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer in 2023 (2022: did not derive more than 10% of its total revenue from any single customer).

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information

(i) Pension scheme contributions

RMB'000

Item	2023	2022
Pension scheme contributions (defined contribution plans)	8,737,618	8,321,055
Pension scheme costs (defined benefit plans)	3,205	6,856

As at 31 December 2023, there were no forfeited contributions available to reduce the Group's contributions to its pension scheme in the next year (31 December 2022: Nil).

(ii) Directors' and supervisors' remuneration

RMB'000

Item	2023	2022
Salaries, housing welfare and other allowances and physical benefits	3,067	2,418
Performance bonus	5,303	6,562
Defined contribution plan	1,142	838
Total	9,512	9,818

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of independent non-executive directors for the current year are as follows:

RMB'000

Item	2023	2022
Independent Non-executive Directors		
Mr. MA Chuanjing	80	67
Mr. ZHAO Lixin	80	67
Mr. XIE Guoguang	80	67
Mr. TSIN Wai Lun Kenneth	127	146
Total	367	347

The fees of the above independent non-executive directors represent remuneration paid in respect of their services as directors of the Company. There was no other remuneration payable to the independent non-executive directors during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of directors and supervisors for the current year are as follows:

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
2023				
Executive director				
Mr. WANG Jianping (board chairman) (Note 1)	342	697	155	1,194
Mr. WANG Lixin (president) (Note 2)	328	638	147	1,113
Mr. ZHUANG Shangbiao (president) (Note 3)	232	576	95	903
Mr. Ni Zhen (Note 2)	315	617	147	1,079
Mr. CHEN Dayang (Note 4)	193	500	78	771
Mr. LIU Ruchen (Note 1)	314	616	150	1,080
Sub-total	1,724	3,644	772	6,140

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of directors and supervisors for the current year are as follows: (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
Non-executive director	–	–	–	–
Mr. GAO Lieyang (Note 5)	–	–	–	–
Sub-total	–	–	–	–
Independent non-executive director				
Mr. MA Chuanjing	60	20	–	80
Mr. ZHAO Lixin	60	20	–	80
Mr. XIE Guoguang	60	20	–	80
Mr. TSIN Wai Lun Kenneth	127	–	–	127
Sub-total	307	60	–	367
Supervisor				
Mr. ZHAO Wei	324	552	125	1,001
Mr. LIU Zhengchang	368	537	122	1,027
Mr. KANG Fuxiang	344	510	123	977
Sub-total	1,036	1,599	370	3,005
Total	3,067	5,303	1,142	9,512

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
2022				
Executive director				
Mr. WANG Jianping (board chairman)	314	1,012	131	1,457
Mr. ZHUANG Shangbiao (president)	314	1,432	129	1,875
Mr. CHEN Dayang	279	1,299	124	1,702
Mr. LIU Ruchen	279	1,255	122	1,656
Sub-total	1,186	4,998	506	6,690
Non-executive director				
Mr. GAO Lieyang (Note 5)	–	–	–	–
Sub-total	–	–	–	–
Independent non-executive director				
Mr. MA Chuanjing	65	2	–	67
Mr. ZHAO Lixin	65	2	–	67
Mr. XIE Guoguang	65	2	–	67
Mr. TSIN Wai Lun Kenneth	146	–	–	146
Sub-total	341	6	–	347

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance bonus	Defined benefit plan	Total remuneration
Supervisor				
Mr. ZHAO Wei	267	599	111	977
Mr. LIU Zhengchang	316	471	110	897
Mr. KANG Fuxiang	308	488	111	907
Sub-total	891	1,558	332	2,781
Total	2,418	6,562	838	9,818

Note 1: On 28 December 2023, Mr. WANG Jianping, the Chairman and the Executive Director, ceased to hold the positions of the Chairman, the Executive Director, and the Chairman of Nomination Committee of the Board of Directors of the Company due to age reasons; Mr. LIU Ruchen, the Executive Director, ceased to hold the position of the Executive Director and a member of Strategy and Investment Committee of the Board of Directors of the Company due to age reasons.

Note 2: On 22 September 2023, the resolution of the first interim general meeting of shareholders voted to add Mr. WANG Lixin and Mr. Ni Zhen as Executive Directors of the Company. On 31 August 2023, the 18th meeting of the fifth Board of Directors deliberated to approve the engagement of Mr. WANG Lixin as the new President of the Company.

Note 3: On 29 August 2023, Mr. ZHUANG Shangbiao, the Executive Director and the President, ceased to hold the positions of the Executive Director, the President, and the Chairman of Strategy and Investment Committee of the Board of Directors of the Company due to age reasons.

Note 4: On 1 August 2023, Mr. CHEN Dayang, the Executive Director, ceased to serve as an Executive Director and a member of Nomination Committee of the Board of Directors of the Company due to age reasons.

Note 5: The Director, Gao Lieyang, is a full-time external director of the State-owned Assets Supervision and Administration Commission of the State Council and does not receive any compensation from the Company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Top 5 paid employees

The analysis of top 5 paid employees of the Group is as follows:

	2023	2022
Employee that is neither a director nor a supervisor	5	5

Details of remuneration of the above employee that is neither a director nor a supervisor:

	2023	2022
Salaries, housing welfare and other allowances and physical benefits	3,994	1,634
Performance bonus	14,887	17,879
Defined contribution plan	725	546
Total	19,606	20,059

RMB'000

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIII. OTHER SIGNIFICANT EVENTS (Continued)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Top 5 paid employees (Continued)

Number of employees that is neither a director nor a supervisor of the following remuneration ranges is as follows:

Item	2023	2022
HKD2,500,000 to 3,000,000 (including 3,000,000)	–	–
HKD3,000,000 to 3,500,000 (including 3,500,000)	–	–
HKD3,500,000 to 4,000,000 (including 4,000,000)	1	–
HKD4,000,000 to 4,500,000 (including 4,500,000)	3	4
HKD4,500,000 to 5,000,000 (including 5,000,000)	1	1
Over HKD5,000,000	–	–
Total	5	5

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Aging	31 December 2023	31 December 2022
Within 1 year	2,710,101	2,216,771
1 to 2 years	170,555	23,889
2 to 3 years	3,045	–
Subtotal	2,883,701	2,240,660
Less: Impairment of credit losses	29,640	20,325
Total	2,854,061	2,220,335

Trade receivables and impairment of credit losses by category are listed as follows:

RMB'000

Category	Gross carrying amount		31 December 2023 Impairment of credit losses		Carrying amount
	Amount	Percentage %	Amount	Percentage %	
Impairment of credit losses assessed by credit risk portfolio	2,883,701	100.00	29,640	1.03	2,854,061
Total	2,883,701	100.00	29,640	1.03	2,854,061

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Trade receivables (Continued)

RMB'000

Category	Gross carrying amount		31 December 2022 Impairment of credit losses		Carrying amount
	Amount	Percentage %	Amount	Percentage %	
Impairment of credit losses assessed by credit risk portfolio	2,240,660	100.00	20,325	0.91	2,220,335
Total	2,240,660	100.00	20,325	0.91	2,220,335

As at 31 December 2023, trade receivables whose impairment of credit losses were assessed by credit risk portfolio are listed as follows:

Portfolio 1:

RMB'000

Aging	31 December 2023			
	Gross carrying amount Amount	Percentage (%)	Impairment of credit losses Amount	Percentage (%)
Within 1 year	2,710,101	93.98	26,970	1.00
1 to 2 years	170,555	5.91	2,242	1.31
2 to 3 years	3,045	0.11	428	14.06
Total	2,883,701	100.00	29,640	1.03

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Trade receivables (Continued)

As at 31 December 2023, trade receivables and contract assets from the five largest debtors are listed as follows:

RMB'000

Due from	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of provision for bad debts
Company 1	1,236,560	317,747	1,554,307	25.99	15,543
Company 2	558,045	653	558,698	9.34	5,724
Company 3	340,199	49,272	389,471	6.51	3,895
Company 4	253,080	53,975	307,055	5.13	2,327
Company 5	169,139	121,638	290,777	4.87	2,051
Total	2,557,023	543,285	3,100,308	51.84	29,540

As at 31 December 2023 and 31 December 2022, no amount due from shareholders that held 5% or more of the Company's voting rights or other related parties was included in the aforesaid balance of trade receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	31 December 2023	31 December 2022
Within 1 year	17,049,773	23,951,909
1 to 2 years	468,644	468,075
2 to 3 years	277,350	1,453,659
Over 3 years	1,191,119	773,819
Subtotal	18,986,886	26,647,462
Less: Impairment of credit losses	1,305	495
Total	18,985,581	26,646,967

Provision for impairment of credit losses are as follows:

- (1) As at 31 December 2023, the Company did not have other receivables at phase II.
- (2) As at 31 December 2023, the Company did not have other receivables at phase III.

In 2023, no other receivables have been written off. (2022: Nil)

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Other receivables (Continued)

As at 31 December 2023, other receivables from the five largest customers are listed as follows:

RMB'000

Due from	Relationship with the Company	Amount	Aging	Percentage of total other receivables (%)
Company 1	Subsidiaries	5,025,476	Within 1 year	26.47
Company 2	Subsidiaries	3,207,143	Within 2 years	16.89
Company 3	Subsidiaries	2,285,584	Within 4 years	12.04
Company 4	Subsidiaries	1,549,226	Within 2 years	8.16
Company 5	Subsidiaries	1,467,124	Within 5 years	7.73
Total	—	13,534,553	—	71.29

As at 31 December 2023 and 31 December 2022, no amount due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of trade receivables.

3. Long-term equity investments

RMB'000

Item		31 December 2023	31 December 2022
Equity investment under cost method			
– Subsidiaries	(i)	103,305,853	102,246,493
Total		103,305,853	102,246,493

Note: All the long-term equity investments are investments in unlisted companies, except for CRCC High-Tech Equipment Corporation Limited and China Railway Construction Heavy Industry Corporation Limited.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Civil Engineering Construction Corporation	2,946,507	-	-	2,946,507	100.00	Co., Ltd
China Railway 11th Bureau Group Co., Ltd.	1,893,912	-	-	1,893,912	81.62	Co., Ltd
China Railway 12th Bureau Group Co., Ltd.	1,957,277	-	-	1,957,277	100.00	Co., Ltd
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,660,480	-	-	2,660,480	100.00	Co., Ltd
China Railway 14th Bureau Group Co., Ltd.	2,130,105	-	-	2,130,105	79.02	Co., Ltd
China Railway 15th Bureau Group Co., Ltd.	1,585,152	-	-	1,585,152	100.00	Co., Ltd
China Railway 16th Bureau Group Co., Ltd.	1,482,412	-	-	1,482,412	100.00	Co., Ltd
China Railway 17th Bureau Group Co., Ltd.	1,735,340	-	-	1,735,340	100.00	Co., Ltd
China Railway 18th Bureau Group Co., Ltd.	1,103,234	-	-	1,103,234	80.30	Co., Ltd
China Railway 19th Bureau Group Co., Ltd.	3,954,638	-	-	3,954,638	100.00	Co., Ltd
China Railway 20th Bureau Group Co., Ltd.	1,615,144	-	-	1,615,144	70.41	Co., Ltd
China Railway 21st Bureau Group Co., Ltd.	1,557,251	-	-	1,557,251	100.00	Co., Ltd
China Railway 22nd Bureau Group Co., Ltd.	1,295,286	-	-	1,295,286	100.00	Co., Ltd
China Railway 23rd Bureau Group Co., Ltd.	1,545,004	-	-	1,545,004	100.00	Co., Ltd
China Railway 24th Bureau Group Co., Ltd.	1,346,917	-	-	1,346,917	100.00	Co., Ltd
China Railway 25th Bureau Group Co., Ltd.	1,348,597	-	-	1,348,597	100.00	Co., Ltd
China Railway Construction Group Co., Ltd.	2,868,346	-	-	2,868,346	85.64	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Electrification Bureau Group Co., Ltd.	1,105,530	-	-	1,105,530	100.00	Co., Ltd
China Railway Construction Real Estate Group Co., Ltd.	7,233,191	-	-	7,233,191	100.00	Co., Ltd
China Railway First Survey and Design Institute Group Co., Ltd.	623,730	30,000	-	653,730	100.00	Co., Ltd
China Railway SIYUAN Survey and Design Group Co., Ltd. (Note 4)	1,087,809	520,000	-	1,607,809	100.00	Co., Ltd
China Railway Fifth Survey and Design Institute Group Co., Ltd.	338,196	-	-	338,196	100.00	Co., Ltd
China Railway Shanghai Design Institute Group Co., Ltd.	267,624	-	-	267,624	100.00	Co., Ltd
China Railway Material Group Co., Ltd. (Note 1)	3,314,805	92,779	-	3,407,584	100.00	Co., Ltd
CRCC High-Tech Equipment Corporation Limited	1,714,797	-	-	1,714,797	63.70	Corporation Limited
China Railway Construction Heavy Industry Corporation Limited	4,028,004	-	-	4,028,004	71.93	Corporation Limited
China Railway Construction Business Management Co., Ltd.	28,313	-	-	28,313	100.00	Co., Ltd
China Railway Construction Investment Group Co., Ltd.	10,538,793	-	-	10,538,793	87.34	Co., Ltd
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd.	1,385,891	-	-	1,385,891	100.00	Co., Ltd
CRCC Finance Company Limited	8,460,000	-	-	8,460,000	94.00	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Corporation (International) Limited	3,012,602	–	–	3,012,602	100.00	Co., Ltd
China Railway Urban Construction Group Co., Ltd.	2,000,000	–	–	2,000,000	71.69	Co., Ltd
Beijing CRCC Tianrui Machinery Equipment Co., Ltd.	2,000,000	–	–	2,000,000	98.04	Co., Ltd
CRCC Kunlun Investment Group Co., Ltd.	3,600,000	–	–	3,600,000	70.77	Co., Ltd
CRCC Huabei Investment & Development Co., Ltd. (Note 2, Note 3)	1,000,000	–	1,000,000	–	–	Co., Ltd
China Railway Construction Xiong'an Investment Development Co., Ltd. (Note 2)	–	1,000,000	–	1,000,000	100.00	Co., Ltd
China Railway Construction Transportation Operation Group Co., Ltd. (Note 3)	–	1,000,000	–	1,000,000	100.00	Co., Ltd
CRCC Southern Construction and Investment Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
CRCC South China Investment Co., Ltd.	435,442	–	–	435,442	100.00	Co., Ltd
China Railway Maglev Transportation Investment Construction Co., Ltd. (Note 4)	500,000	–	500,000	–	–	Co., Ltd
China Railway Construction South China Construction Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
China Railway Construction Northwest Investment & Construction Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
China Railway Construction City Construction Investment Co., Ltd.	2,000,000	–	–	2,000,000	100.00	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Changes for the year			Carrying amount at 31 December 2023	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2023 (%)	Category
	Carrying amount at 31 December 2022	Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Eastern China Investment & Construction Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd
CRCC International Investment Co., Ltd.	3,000,000	-	-	3,000,000	100.00	Co., Ltd
CRCC Development Group Co., Ltd.	1,498,690	-	-	1,498,690	100.00	Co., Ltd
CRCC North Investment & Construction Co., Ltd.	200,000	-	-	200,000	100.00	Co., Ltd
CRCC Yellow River Investment & Construction Co., Ltd.	1,110,000	-	-	1,110,000	100.00	Co., Ltd
CRCC Capital Holdings Group Co., Ltd. (Note 1)	3,633,290	-	83,419	3,549,871	100.00	Co., Ltd
China Railway Construction Treasury Management (Hong Kong) Co., Ltd	4,184	-	-	4,184	100.00	Co., Ltd
China Railway Construction Southwest Investment Co., Ltd.	100,000	-	-	100,000	100.00	Co., Ltd
Total	102,246,493	2,642,779	1,583,419	103,305,853	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

Note 1: In 2023, the Company made contribution to China Railway Material Group Co., Ltd by transferring 100% shares in CRCC Financial Services & Technology (TIANJIN) Co., Ltd. with its net assets of RMB83,419,000 held by CRCC Capital Holdings Group Co., Ltd to it, and made an additional capital contribution of RMB9,360,000 by cash.

Note 2: In 2023, the Company acquired 100% shares in China Railway Construction Xiong'an Investment Development Co., Ltd. from CRCC Huabei Investment & Development Co., Ltd., a subsidiary of the Company, and China Railway Construction Xiong'an Investment Development Co., Ltd. became a subsidiary directly held by the Company.

Note 3: In 2023, the Company transferred 100% shares in CRCC Huabei Investment & Development Co., Ltd. to China Railway Construction Transportation Operation Group Co., Ltd.

Note 4: In 2023, the Company and its subsidiary CRCC Development Group Co., Ltd. transferred 50% shares in China Railway Maglev Transportation Investment Construction Co., Ltd. to China Railway SIYUAN Survey and Design Group Co., Ltd.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Other payables

Other payables are disclosed by category:

RMB'000

Item	31 December 2023	31 December 2022
Payables for advances	10,596,191	17,163,229
Centralised funds payable	2,777,363	2,818,475
Dividends payable	453,598	426,236
Guarantees and deposits	86,212	55,819
Others	514,004	434,253
Total	14,427,368	20,898,012

5. Long-term loans

RMB'000

Item	31 December 2023	31 December 2022
Credit loans	3,734,276	3,708,802
Total	3,734,276	3,708,802

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

5. Long-term loans (Continued)

The maturity profile of the long-term loans as at the balance sheet date is listed as follows:

RMB'000

Item	31 December 2023	31 December 2022
Within one year or paid on demand	406,000	391,564
In the second year (inclusive)	1,189,276	1,506,000
In the third year (inclusive)	1,290,600	757,802
Over three years	1,254,400	1,445,000
Total	4,140,276	4,100,366

6. Revenue and cost of sales

Revenue is presented as follows:

RMB'000

Item	2023	2022
Revenue from principal operations	11,034,155	8,686,578
Other operating revenue	628,976	1,067,990
Total	11,663,131	9,754,568

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

6. Revenue and cost of sales (Continued)

Operating cost is presented as follows:

<i>RMB'000</i>		
Item	2023	2022
Operating cost	11,111,331	8,542,489

7. Finance costs

<i>RMB'000</i>		
Item	2023	2022
Interest expenses	633,119	630,677
Less: Interest income	2,903,756	3,123,900
Exchange (gains)/losses	(20,536)	914,414
Bank charges and others	5,492	6,909
Total	(2,285,681)	(1,571,900)

8. Investment income

<i>RMB'000</i>		
Item	2023	2022
Investment income received from long-term equity investments under cost method	10,156,089	11,488,547
Others	15,360	16,020
Total	10,171,449	11,504,567

For the year ended 31 December 2023, the investment income mentioned above was composed of investment income of RMB438,537,000 (2022: RMB401,656,000) from listed companies and RMB9,732,912,000 from unlisted companies (2022: RMB11,102,911,000).

As at 31 December 2023, the remittance of the Company's investment income was not subject to significant restriction.

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

9. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

<i>RMB'000</i>		
Item	2023	2022 (restated)
Reconciliation of net profit to cash flows from operating activities:		
Net profit	11,679,665	13,425,999
Plus: Impairment of credit losses	(9,584)	(1,326)
Impairment losses on assets	17,715	81,889
Depreciation of fixed assets	17,345	13,451
Amortisation of intangible assets	22,844	17,624
Amortisation of long-term prepayments	2,233	1,367
Depreciation of right-of-use assets	32,215	31,983
Gains from disposal of fixed assets, intangible assets and other long-term assets	—	(2)
Losses on retirement of fixed assets	247	196
Losses from changes in fair value	7,672	20,298
Finance costs	558,771	1,510,264
Investment income	(10,171,449)	(11,504,567)
Decrease in deferred tax assets	303	3,207
Increase in deferred tax liabilities	(7,292)	(7,893)
Decrease/(increase) in inventories	625	(2,137)
Decrease in contract assets	924,001	242,957
Decrease in operating receivables	3,413,631	2,586,524
Decrease in operating payables	(71,544)	(47,180)
Net cash flows generated from operating activities	6,417,398	6,372,654

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

9. Supplementary information to the statement of cash flows (Continued)

(2) Cash and cash equivalents

RMB'000

Item	31 December 2023	31 December 2022
Cash	20,064,143	18,757,618
Including: Cash on hand	—	3
Cash with banks/financial institutions without restrictions	20,064,143	18,757,615
Closing balance of cash and cash equivalents	20,064,143	18,757,618

10. Related party transactions

(1) Significant transactions between the Company and its related parties

RMB'000

Item	2023	2022
(1) Revenue from other related party transactions		
Subsidiaries	3,466,170	4,148,879
Other related parties	107,790	706,634
Total	3,573,960	4,855,513
(2) Purchase of goods and receipt of services		
Subsidiaries	10,967,730	8,207,810
Total	10,967,730	8,207,810
(3) Other expenses		
Subsidiaries	446,906	521,684
Other related parties	40,173	46,949
Total	487,079	568,633

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

10. Related party transactions (Continued)

(2) Balance due to/from related parties

RMB'000

Item	31 December 2023		31 December 2022	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Trade receivables				
Other related parties	63,544	2,369	290,006	2,004
Total	63,544	2,369	290,006	2,004
Other receivables				
Subsidiaries	13,953,132	–	22,528,960	–
Other related parties	–	–	–	–
Total	13,953,132	–	22,528,960	–
Advances to suppliers				
Subsidiaries	399,824	–	293,606	–
Total	399,824	–	293,606	–
Cash and bank balances				
Subsidiaries	14,518,618	–	12,710,303	–
Total	14,518,618	–	12,710,303	–
Long-term receivables				
Subsidiaries	39,754,253	–	37,676,300	–
Total	39,754,253	–	37,676,300	–
Current portion of non-current assets				
Subsidiaries	10,800,000	–	9,563,953	–
Total	10,800,000	–	9,563,953	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (Continued)

10. Related party transactions (Continued)

(2) Balance due to/from related parties (Continued)

RMB'000

Item	31 December 2023	31 December 2022
Trade payables		
Subsidiaries	9,318,051	8,080,266
Total	9,318,051	8,080,266
Other payables		
Subsidiaries	13,358,158	20,138,806
Other related parties	55,680	55,680
Total	13,413,838	20,194,486
Long-term loans		
Other related parties	1,103,276	991,802
Total	1,103,276	991,802
Non-current liabilities due within one year		
Subsidiaries	127,050	820,047
Other related parties	320,000	305,564
Total	447,050	1,125,611
Long-term payables		
Subsidiaries	2,984,682	2,103,345
Total	2,984,682	2,103,345

Independent Auditor's Report

De Shi Bao (Shen) Zi (25) No. P02874

To the shareholders of China Railway Construction Corporation Limited:

I. OPINION

We have audited the accompanying financial statements of China Railway Construction Corporation Limited ("the Company", the Company and its subsidiaries collectively referred to as "the Group"), which comprise the consolidated and the Company's statements of financial position as at 31 December 2024, and the consolidated and the Company's statements of profit or loss and other comprehensive income, the consolidated and the Company's statements of changes in equity and the consolidated and the Company's statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements of China Railway Construction Corporation Limited give a true and fair view, in all material respects, of the consolidated and the Company's financial position as of 31 December 2024, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The followings are key audit matters that we have determined to communicate in the independent auditor's report.

Independent Auditor's Report (continued)

III. KEY AUDIT MATTERS (Continued)

1. Revenue from construction operations

1.1 Description

As disclosed in Note V. 48 to the consolidated financial statements, the revenue of the Group is mainly derived from construction operations, which has significance to the consolidated financial statements. As stated in Note III. 21 to the consolidated financial statements, for most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time. The revenue is recognised during the contract period according to the expected total contract revenue and total contract costs based on the performance progress, which is determined by input method. The expected total contract revenue and total contract costs shall be determined according to the contract budget of the construction contracts, which shall be continuously evaluated and revised during the execution of the contract. The relevant contract budget involves the management's use of significant accounting estimations and judgements. We identified the revenue from construction operations as a key audit matter due to the fact that the accounting treatments of which require significant estimations and judgments.

1.2 Audit Response

Our procedures in relation to recognition of revenue from construction operations mainly included:

- (1) Testing and evaluating the effectiveness of the key internal controls in place on budget preparation and revenue recognition of the construction operations;
- (2) Checking on a sample basis, whether the expected total contract revenue and total contract costs are consistent with the project contract and cost budget that they base on;
- (3) Checking construction costs incurred during the year by tracing to support documentation on a sample basis, and performing cut-off tests on construction costs;
- (4) Recalculating the calculation accuracy on performance progress of construction operations by reference to construction contract ledger on a sample basis;
- (5) Visiting the selected samples of sites of construction projects to observe the progress of the construction work, discussing with the site project management the extent to which the construction work was completed, evaluating the reasonableness of the performance progress in record and performing gross margin analysis.

Independent Auditor's Report (continued)

III. KEY AUDIT MATTERS (Continued)

2. Impairment of trade receivables and contract assets

2.1 Description

As stated in Note III. 35 "Impairment of trade receivables and contract assets" to the consolidated financial statements, the Group measures loss allowances for trade receivables and contract assets based on lifetime expected credit losses. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually based on the evidence of credit-impairment and forward-looking information. Except for the trade receivables and contract assets whose impairment of credit losses are assessed individually, the Group's management classifies the trade receivables and contract assets into different portfolios based on collective credit risk characteristics, and uses provision matrix to assess expected credit losses. The provision rates of each portfolio are based on the Group's historical actual loss rates, taking into consideration forward-looking information. We identified the impairment of trade receivables and contract assets as a key audit matter due to its significance to the consolidated financial statements and its involvement of management's significant accounting estimates and judgements.

2.2 Audit response

Our procedures in relation to the impairment of trade receivables and contract assets mainly included:

- (1) Testing and evaluating the effectiveness of the key internal controls relating to the management and impairment test of trade receivables and contract assets;
- (2) Corroborating the relevant consideration and objective evidence used by the management in assessing the expected credit losses of trade receivables and contract assets;
- (3) For trade receivables and contract assets individually assessed for expected credit losses, reviewing the supporting documentation and assessing the reasonableness of the provision determined by the management based on the customer's financial and credit status, historical payment rate and the forecast of the future financial status on a sample basis;
- (4) For trade receivables and contract assets assessed by provision matrix based on collective credit risk characteristics for expected credit losses, assessing the reasonableness of portfolios classification and provision rates of each portfolio determined by the management, including recalculation of historical actual loss rates determined by the management, and involving our internal valuation specialists to evaluate the appropriateness of management's assessment of forward-looking information; Meanwhile, checking the appropriateness of classification of trade receivables and contract assets in the provision matrix based on collective credit risk characteristics for expected credit losses on a sample basis.

Independent Auditor's Report (continued)

IV. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the 2024 Annual Report, but does not include the financial statements and our independent auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Independent Auditor's Report (continued)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

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

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

Independent Auditor's Report (continued)

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

Deloitte Touche Tohmatsu CPA LLP
Shanghai China

Chinese Certified Public Accountant: **Chen Xi**
(Engagement Partner)

Chinese Certified Public Accountant: **Zhou Hongyu**

28 March 2025

This independent auditor's report of the financial statements and the accompanying financial statements are English translations of the independent auditor's report and the financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Statement of Financial Position

As at 31 December 2024

RMB'000

ASSETS	Note V	31 December 2024	31 December 2023
Current assets			
Cash and bank balances	1	185,703,115	166,957,837
Held-for-trading financial assets	2	1,533,116	1,629,785
Bills receivable	3	3,225,444	3,229,041
Receivables at fair value through other comprehensive income	4	1,644,048	2,723,520
Trade receivables	5	204,759,238	155,809,067
Advances to suppliers	6	23,110,034	21,712,629
Other receivables	7	65,825,415	56,902,615
Inventories	8	286,116,358	307,642,792
Contract assets	9	304,749,626	291,782,104
Current portion of non-current assets	10	32,284,851	29,531,809
Other current assets	11	35,023,530	26,831,432
Total current assets		1,143,974,775	1,064,752,631
Non-current assets			
Loans and advances to customers	12	1,140,201	1,686,305
Long-term receivables	13	142,506,358	109,859,078
Long-term equity investments	14	153,984,400	149,278,357
Debt investments	15	3,881,575	6,016,176
Other debt investments		—	5,115,845
Other non-current financial assets	16	11,376,122	10,287,149
Other equity instrument investments	17	13,167,797	12,575,571
Investment properties	18	15,981,833	11,399,446
Fixed assets	19	73,028,467	73,269,486
Construction in progress	20	6,812,863	5,810,715
Right-of-use assets	21	7,504,478	7,140,700
Intangible assets	22	117,002,389	69,736,458
Development expenditure		49,027	15,472
Goodwill	23	49,762	55,617
Long-term prepayments		1,103,965	852,730
Deferred tax assets	24	12,152,500	11,211,912
Other non-current assets	25	159,126,010	123,955,930
Total non-current assets		718,867,747	598,266,947
TOTAL ASSETS		1,862,842,522	1,663,019,578

Consolidated Statement of Financial Position (continued)

As at 31 December 2024

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2024	31 December 2023
Current liabilities			
Short-term loans	26	150,142,693	81,839,758
Due to customers	27	2,051,298	1,356,691
Bills payable	28	41,316,625	53,461,242
Trade payables	29	512,813,640	491,567,214
Advances from customers		372,439	233,083
Contract liabilities	30	141,649,350	150,196,302
Employee benefits payable	31	16,048,846	16,117,433
Taxes payable	32	8,138,705	9,059,277
Other payables	33	120,304,020	106,058,137
Current portion of non-current liabilities	34	76,507,103	54,468,518
Other current liabilities	35	43,409,640	33,694,786
Total current liabilities		1,112,754,359	998,052,441
Non-current liabilities			
Long-term loans	36	235,062,620	165,621,478
Bonds payable	37	32,720,483	31,031,549
Lease liabilities	38	4,197,035	4,080,407
Long-term payables	39	49,835,673	41,263,172
Long-term employee benefits payable		53,619	65,376
Provisions		1,628,540	1,449,484
Deferred income	40	1,130,936	1,012,593
Deferred tax liabilities	24	1,979,263	2,008,603
Other non-current liabilities		883,172	1,314,702
Total non-current liabilities		327,491,341	247,847,364
Total liabilities		1,440,245,700	1,245,899,805

Consolidated Statement of Financial Position (continued)

As at 31 December 2024

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2024	31 December 2023
Shareholders' equity			
Share capital	41	13,579,542	13,579,542
Other equity instruments	42	64,167,509	59,463,430
Capital reserve	43	47,964,063	48,847,173
Other comprehensive income	44	(1,305,778)	(667,494)
Special reserve	45	—	—
Surplus reserve	46	6,789,771	6,789,771
Retained earnings	47	197,055,973	181,825,095
Total equity attributable to owners of the Company		328,251,080	309,837,517
Non-controlling interests		94,345,742	107,282,256
Total shareholders' equity		422,596,822	417,119,773
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,862,842,522	1,663,019,578

The accompanying notes form part of the financial statements.

The financial statements on page 260 to page 584 have been signed by the following:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department:
Wang, Lei

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

RMB'000

ITEM	Note V	For the year ended 31 December 2024	For the year ended 31 December 2023 (restated)
Revenue	48	1,067,171,337	1,137,993,486
Less: Cost of sales	48	957,601,788	1,019,749,051
Taxes and surcharges	49	3,629,371	4,296,937
Selling and distribution expenses	50	6,836,126	7,311,902
General and administrative expenses	51	22,328,601	23,466,318
Research and development expenses	52	25,713,270	26,725,454
Finance costs	53	7,946,298	4,661,449
Including: Interest expenses		9,635,257	7,459,090
Interest income		3,767,214	4,216,238
Add: Other income	56	741,116	954,634
Investment losses	57	(1,295,737)	(4,229,965)
Including: Share of (losses)/profits of associates and joint ventures		(380,154)	564,987
Losses from derecognition of financial assets measured at amortised cost		(1,808,684)	(5,563,839)
Losses on fair value changes	58	(1,466,842)	(643,564)
Impairment losses on assets	54	(3,038,039)	(3,461,187)
Impairment of credit losses	55	(6,058,228)	(6,480,044)
Gains on disposal of assets		285,074	671,460
Operating profit		32,283,227	38,593,709
Add: Non-operating income	59	949,842	980,751
Less: Non-operating expenses	60	758,360	746,308
Profit before tax		32,474,709	38,828,152
Less: Income tax expenses	62	5,396,332	6,499,423
Net profit		27,078,377	32,328,729

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 31 December 2024

RMB'000

ITEM	Note V	For the year ended 31 December 2024	For the year ended 31 December 2023 (restated)
Classified by the continuity of operation			
Net profit from continuing operations		27,078,377	32,328,729
Net profit from discontinued operations		—	—
Classified by the ownership			
Net profit attributable to owners of the Company		22,215,074	26,096,971
Net profit attributable to non-controlling interests		4,863,303	6,231,758
Other comprehensive income/(expenses), net of tax	44		
Other comprehensive (expenses)/income attributable to owners of the Company, net of tax		(433,061)	363,575
Other comprehensive income/(expenses) not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		594,560	(41,838)
Others		895	(878)
Other comprehensive income/(expenses) to be reclassified to profit or loss			
Shares of other comprehensive income that will be reclassified subsequently into profit or loss by the investee under equity method		61,728	192,843
Changes in fair value of other debt investments		(6,237)	16,243
Exchange differences on translation of foreign operations		(1,079,884)	191,747
Changes in fair value of receivables at fair value through other comprehensive income		(4,123)	5,458
Other comprehensive income attributable to non- controlling interests, net of tax		66,208	11,950
Total comprehensive income		26,711,524	32,704,254
Including:			
Total comprehensive income attributable to owners of the Company		21,782,013	26,460,546
Total comprehensive income attributable to non- controlling interests		4,929,511	6,243,708
Earnings per share:			
Basic earnings per share (RMB/share)	63	1.46	1.73
Diluted earnings per share (RMB/share)	63	1.46	1.73

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

RMB'000

ITEM	Note V	For the year ended 31 December 2024	For the year ended 31 December 2023
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		1,072,608,268	1,154,794,097
Refunds of tax		2,210,408	2,412,808
Net increase/(decrease) in due to customers and due to banks		694,607	(1,811,912)
Cash received from other operating activities	64(1)	15,788,944	25,121,559
Subtotal of cash inflows from operating activities		1,091,302,227	1,180,516,552
Cash paid for goods and services		987,757,916	1,031,538,606
Net (decrease)/increase in loans and advances to customers		(556,585)	250,000
Net increase/(decrease) in balances with the central bank		784,670	(324,393)
Cash paid to and on behalf of employees		80,858,786	80,378,095
Payments of various types of taxes		29,333,856	30,931,897
Cash paid for other operating activities	64(2)	24,547,416	17,330,299
Subtotal of cash outflows from operating activities		1,122,726,059	1,160,104,504
Net cash flows (used in)/generated from operating activities	65(1)	(31,423,832)	20,412,048
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		15,557,754	8,276,406
Cash received from investment income		1,328,498	2,804,336
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,759,801	3,856,043
Net decrease in cash and bank balances with title restrictions		—	95,594
Net cash received from disposal of subsidiaries		—	16,483
Cash received from other investing activities	64(3)	681,737	1,903,558
Subtotal of cash inflows from investing activities		20,327,790	16,952,420

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

		RMB'000	
ITEM	Note V	For the year ended 31 December 2024	For the year ended 31 December 2023
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		37,948,731	34,920,632
Cash paid for acquisition of investments		24,843,108	37,110,210
Net increase in cash and bank balances with title restrictions		2,514,462	–
Net cash payments for acquisitions of subsidiaries and other business units	65(2)	1,492,928	–
Cash paid for other investing activities		1,568,097	830,729
Subtotal of cash outflows from investing activities		68,367,326	72,861,571
Net cash flows used in investing activities		(48,039,536)	(55,909,151)
3. Cash Flows from Financing Activities:		18,547,638	15,085,432
Cash received as capital contributions			
Including: Cash received from non-controlling shareholders of subsidiaries		2,058,483	7,893,033
Cash received from issuing bonds		18,274,797	14,635,000
Cash received from borrowings		465,287,674	292,345,192
Cash received from other financing activities		1,985,696	1,466,955
Subtotal of cash inflows from financing activities		504,095,805	323,532,579
Cash repayments for borrowings		350,494,642	244,732,659
Cash paid for distribution of dividends or profits and for interest expenses		26,228,244	23,267,207
Including: Cash paid to non-controlling shareholders for distribution of dividends by subsidiaries		3,905,775	3,742,646
Cash paid for other financing activities	64(4)	32,614,658	10,941,208
Subtotal of cash outflows from financing activities		409,337,544	278,941,074
Net cash flows generated from financing activities		94,758,261	44,591,505

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

RMB'000

ITEM	Note V	For the year ended 31 December 2024	For the year ended 31 December 2023
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(561,050)	(972,117)
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		14,733,843	8,122,285
Add: Cash and cash equivalents at beginning of the year	65(3)	152,637,777	144,515,492
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	65(3)	167,371,620	152,637,777

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

RMB'000

ITEM	For the year ended 31 December 2024									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2023	13,579,542	59,463,430	48,847,173	(667,494)	-	6,789,771	181,825,095	309,837,517	107,282,256	417,119,773
II. Increase/(decrease) during the year	-	4,704,079	(883,110)	(638,284)	-	-	15,230,878	18,413,563	(12,936,514)	5,477,049
(I) Total comprehensive income	-	-	-	(433,061)	-	-	22,215,074	21,782,013	4,929,511	26,711,524
(II) Capital contributions and withdrawals by shareholders	-	4,704,079	(883,110)	-	-	-	-	3,820,969	(13,821,815)	(10,000,846)
1. Capital contributions and withdrawals by Shareholders	-	-	(62,990)	-	-	-	-	(62,990)	(9,019,106)	(9,082,096)
2. Capital contributions and withdrawals by other equity instruments holders (Note V.42)	-	4,704,079	(14,924)	-	-	-	-	4,689,155	-	4,689,155
3. Equity transactions with non-controlling interests (Note V.43)	-	-	(805,196)	-	-	-	-	(805,196)	(4,802,709)	(5,607,905)
(III) Profit distribution	-	-	-	-	-	-	(7,189,419)	(7,189,419)	(4,044,210)	(11,233,629)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.47)	-	-	-	-	-	-	(7,189,419)	(7,189,419)	(4,044,210)	(11,233,629)
(IV) Special reserve (Note V.45)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current year	-	-	-	-	19,385,942	-	-	19,385,942	-	19,385,942
2. Used in current year	-	-	-	-	(19,385,942)	-	-	(19,385,942)	-	(19,385,942)
(V) Others (Note V.44)	-	-	-	(205,223)	-	-	205,223	-	-	-
III. As at 31 December 2024	13,579,542	64,167,509	47,964,063	(1,305,778)	-	6,789,771	197,055,973	328,251,080	94,345,742	422,596,822

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2024

RMB'000

ITEM	For the year ended 31 December 2023									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 1 January 2023	13,579,542	59,959,677	48,907,056	(819,139)	–	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052
II. Increase/(decrease) during the year	–	(496,247)	(59,883)	151,645	–	–	19,843,963	19,439,478	11,760,243	31,199,721
(I) Total comprehensive income	–	–	–	363,575	–	–	26,096,971	26,460,546	6,243,708	32,704,254
(II) Capital contributions and withdrawals by shareholders	–	(496,247)	(59,883)	–	–	–	(114,667)	(670,797)	9,304,617	8,633,820
1. Capital contributions and withdrawals by Shareholders	–	–	49,639	–	–	–	(114,667)	(65,028)	9,188,065	9,123,037
2. Capital contributions and withdrawals by other equity instruments holders (Note V. 42)	–	(496,247)	(11,354)	–	–	–	–	(507,601)	–	(507,601)
3. Equity transactions with non-controlling interests	–	–	(98,168)	–	–	–	–	(98,168)	116,552	18,384
(III) Profit distribution	–	–	–	–	–	–	(6,350,271)	(6,350,271)	(3,788,082)	(10,138,353)
1. Appropriation to statutory surplus reserve	–	–	–	–	–	–	–	–	–	–
2. Distribution to shareholders (Note V. 47)	–	–	–	–	–	–	(6,350,271)	(6,350,271)	(3,788,082)	(10,138,353)
(IV) Special reserve (Note V. 45)	–	–	–	–	–	–	–	–	–	–
1. Appropriated in current year	–	–	–	–	19,301,569	–	–	19,301,569	–	19,301,569
2. Used in current year	–	–	–	–	(19,301,569)	–	–	(19,301,569)	–	(19,301,569)
(V) Others (Note V. 44)	–	–	–	(211,930)	–	–	211,930	–	–	–
III. As at 31 December 2023	13,579,542	59,463,430	48,847,173	(667,494)	–	6,789,771	181,825,095	309,837,517	107,282,256	417,119,773

The Company's Statement of Financial Position

As at 31 December 2024

RMB'000

ASSETS	Note XIV	31 December 2024	31 December 2023
Current assets			
Cash and bank balances		21,295,569	19,640,835
Held-for-trading financial assets		66,354	63,368
Trade receivables	1	2,872,095	2,854,061
Advances to suppliers		551,249	574,398
Other receivables	2	23,623,723	18,985,581
Inventories		—	2,758
Contract assets		588,734	666,681
Current portion of non-current assets		10,452,593	10,800,000
Other current assets		143,782	149,127
Total current assets		59,594,099	53,736,809
Non-current assets			
Long-term receivables		53,648,716	43,541,609
Long-term equity investments	3	105,332,868	103,305,853
Other equity instrument investments		408,721	307,245
Fixed assets		329,627	352,035
Construction in progress		298,706	21,146
Right-of-use assets		6,379	3,200
Intangible assets		178,554	191,072
Long-term prepayments		4,249	6,494
Other non-current assets		2,842,173	2,411,623
Total non-current assets		163,049,993	150,140,277
TOTAL ASSETS		222,644,092	203,877,086

The Company's Statement of Financial Position (continued)

As at 31 December 2024

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note XIV	31 December 2024	31 December 2023
Current liabilities			
Short-term loans		2,900,000	–
Trade payables		7,462,582	9,451,734
Contract liabilities		703,869	388,349
Employee benefits payable		139,080	138,035
Taxes payable		9,973	8,799
Other payables	4	10,180,529	14,427,368
Current portion of non-current liabilities		888,427	542,228
Other current liabilities		504,364	595,629
Total current liabilities		22,788,824	25,552,142
Non-current liabilities			
Long-term loans	5	3,710,074	3,734,276
Bonds payable		5,995,194	–
Lease liabilities		3,799	661
Long-term payables		7,208,654	3,030,202
Long-term employee benefits payable		3,454	4,904
Deferred income		–	4,050
Deferred tax liabilities		49,470	30,442
Total non-current liabilities		16,970,645	6,804,535
Total liabilities		39,759,469	32,356,677
Shareholders' equity			
Share capital	Note V. 41	13,579,542	13,579,542
Capital reserve		46,843,032	46,857,956
Other comprehensive income		140,547	64,440
Other equity instruments	Note V. 42	64,167,509	59,463,430
Special reserve		–	–
Surplus reserve	Note V. 46	6,789,771	6,789,771
Retained earnings		51,364,222	44,765,270
Total shareholders' equity		182,884,623	171,520,409
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		222,644,092	203,877,086

The Company's Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

RMB'000

ITEM	Note XIV	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue	6	9,413,114	11,663,131
Less: Cost of sales	6	8,439,019	11,111,331
Taxes and surcharges		2,056	3,632
Selling and distribution expenses		53,589	436,400
General and administrative expenses		1,071,647	765,769
Research and development expenses		30,962	107,017
Finance costs	7	(2,205,536)	(2,285,681)
Including: Interest expenses		575,551	633,119
Interest income		2,812,625	2,903,756
Add: Other income		12,363	1,521
Investment income	8	11,790,040	10,171,449
Gains/(losses) on fair value changes		2,986	(7,672)
Impairment (losses)/gains on assets		(5,592)	9,584
Impairment of credit losses		(7,484)	(17,715)
Operating profit		13,813,690	11,681,830
Add: Non-operating income		3,417	199
Less: Non-operating expenses		35,077	9,353
Profit before tax		13,782,030	11,672,676
Less: Income tax expenses		(6,341)	(6,989)
Net profit		13,788,371	11,679,665
Classified by the continuity of operation			
Net profit from continuing operations		13,788,371	11,679,665
Net profit from discontinued operations		—	—
Other comprehensive income, net of tax		76,107	22,469
Other comprehensive income not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		76,107	22,469
Total comprehensive income		13,864,478	11,702,134

The Company's Statement of Cash Flows

For the year ended 31 December 2024

RMB'000

ITEM	Note XIV	For the year ended 31 December 2024	For the year ended 31 December 2023
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		10,715,560	12,005,801
Refunds of tax		—	69
Cash received from other operating activities		13,312,372	41,101,074
Subtotal of cash inflows from operating activities		24,027,932	53,106,944
Cash paid for goods and services		11,021,539	11,410,624
Cash paid to and on behalf of employees		489,777	482,104
Cash paid for all taxes		60,378	39,229
Cash paid for other operating activities		23,572,120	34,757,589
Subtotal of cash outflows from operating activities		35,143,814	46,689,546
Net cash flows (used in)/generated from operating activities	9(1)	(11,115,882)	6,417,398
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		—	28,471
Cash received from investment income		8,438,098	8,551,891
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		16	9
Subtotal of cash inflows from investing activities		8,438,114	8,580,371
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		254,614	14,976
Cash paid for acquisition of investments		1,977,740	1,059,360
Net increase in cash and bank balances with title restrictions		25,950	25,745
Subtotal of cash outflows from investing activities		2,258,304	1,100,081
Net cash flows generated from investing activities		6,179,810	7,480,290

The Company's Statement of Cash Flows (continued)

For the year ended 31 December 2024

		RMB'000	
ITEM	Note XIV	For the year ended 31 December 2024	For the year ended 31 December 2023
3. Cash Flows from Financing Activities:			
Cash received as capital contributions		16,489,155	7,192,399
Cash received from borrowings		14,253,800	1,531,474
Cash received from issuing bonds		5,998,500	6,000,000
Subtotal of cash inflows from financing activities		36,741,455	14,723,873
Cash repayments for borrowings		10,485,681	13,134,333
Cash paid for distribution of dividends or profits and for interest expenses		7,613,344	6,442,726
Cash paid for other financing activities		11,805,868	7,734,004
Subtotal of cash outflows from financing activities		29,904,893	27,311,063
Net cash flows generated from/(used in) financing activities		6,836,562	(12,587,190)
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		15,793	(3,973)
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		1,916,283	1,306,525
Add: Opening Balance of Cash and Cash Equivalents	9(2)	20,064,143	18,757,618
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9(2)	21,980,426	20,064,143

The Company's Statement of Changes in Equity

For the year ended 31 December 2024

RMB'000

ITEM	For the year ended 31 December 2024							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2023	13,579,542	59,463,430	46,857,956	64,440	-	6,789,771	44,765,270	171,520,409
II. Increase/(decrease) during the year	-	4,704,079	(14,924)	76,107	-	-	6,598,952	11,364,214
(I) Total comprehensive income	-	-	-	76,107	-	-	13,788,371	13,864,478
(II) Capital contributions and withdrawals by shareholders	-	4,704,079	(14,924)	-	-	-	-	4,689,155
1. Capital contributions and withdrawals by other equity instruments holders (Note V.42)	-	4,704,079	(14,924)	-	-	-	-	4,689,155
(III) Profit distribution	-	-	-	-	-	-	(7,189,419)	(7,189,419)
1. Appropriation to statutory surplus reserve	-	-	-	-	-	-	-	-
2. Distribution to shareholders (Note V.47)	-	-	-	-	-	-	(7,189,419)	(7,189,419)
(IV) Special reserve (Note V.45)	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	183,417	-	-	183,417
2. Used in current period	-	-	-	-	(183,417)	-	-	(183,417)
III. As at 31 December 2024	13,579,542	64,167,509	46,843,032	140,547	-	6,789,771	51,364,222	182,884,623

The Company's Statement of Changes in Equity (continued)

For the year ended 31 December 2024

RMB'000

ITEM	For the year ended 31 December 2023							Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	–	6,789,771	39,435,692	166,675,963
(I) Changes in accounting policies	–	–	–	–	–	–	184	184
II. As at 1 January 2023	13,579,542	59,959,677	46,869,310	41,971	–	6,789,771	39,435,876	166,676,147
III. Increase/(decrease) during the year	–	(496,247)	(11,354)	22,469	–	–	5,329,394	4,844,262
(I) Total comprehensive income	–	–	–	22,469	–	–	11,679,665	11,702,134
(II) Capital contributions and withdrawals by shareholders	–	(496,247)	(11,354)	–	–	–	–	(507,601)
1. Capital contributions and withdrawals by other equity instruments holders (Note V.42)	–	(496,247)	(11,354)	–	–	–	–	(507,601)
(III) Profit distribution	–	–	–	–	–	–	(6,350,271)	(6,350,271)
1. Appropriation to statutory surplus reserve	–	–	–	–	–	–	–	–
2. Distribution to shareholders (Note V.47)	–	–	–	–	–	–	(6,350,271)	(6,350,271)
(IV) Special reserve (Note V.45)	–	–	–	–	–	–	–	–
1. Appropriated in current year	–	–	–	–	194,411	–	–	194,411
2. Used in current year	–	–	–	–	(194,411)	–	–	(194,411)
IV. As at 31 December 2023	13,579,542	59,463,430	46,857,956	64,440	–	6,789,771	44,765,270	171,520,409

Notes to the Financial Statements

For the year ended 31 December 2024

I. CORPORATE INFORMATION

China Railway Construction Corporation Limited (the “Company”) is a joint stock limited company with limited liability registered in Beijing in the People’s Republic of China (the “PRC” or “Mainland China”) on 5 November 2007. The Company’s shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered address of the Company’s head office is located at East No. 40 Fuxing Road, Haidian District, Beijing, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly consist of construction operations, plan, design and consultancy operations, trade and logistics, manufacturing operations and real estate development operations.

The Company’s parent and ultimate holding company is China Railway Construction Corporation (referred to as the “Controlling Shareholder”), a company registered in PRC.

These financial statements have been approved and authorised for issue by the board of directors of the Company on 28 March 2025.

The scope of consolidated financial statements shall be determined on the basis of control. Refer to Note VI for the changes of consolidation scope for the year.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared by the Group on a going-concern basis in accordance with *Accounting Standards for Business Enterprises* and other relevant provisions issued and revised subsequently by the Ministry of Finance of the People’s Republic of China (“Ministry of Finance”) (collectively referred to as “Accounting Standards for Business Enterprises”). In addition, the financial statements are also disclosed in accordance with *Information Disclosure and Presentation Rules for Companies Public offering Securities No. 15 – General Provisions on Financial Reporting* (revised by China Securities Regulatory Commission in 2023).

In accordance with the *Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong* issued by the Hong Kong Stock Exchange in December 2010, the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents issued by the Ministry of Finance and China Securities Regulatory Commission (“CSRC”), the Company ceased to provide financial reports prepared in accordance with *Accounting Standards for Business Enterprises and International Financial Reporting Standards separately* to A-share shareholders and H-share shareholders from the year of 2011 with the approval of the Company’s general meeting of shareholders. Instead, the Company provides all shareholders with financial reports solely prepared in accordance with *China Accounting Standards*, taking into account the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in preparing such financial reports.

The Group has adopted accrual basis for accounting measurement. The financial statements have been presented under the historical cost, except for certain financial assets which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and accounting estimates, including the impairment of receivables and contract assets, the measurement of inventories, the provisions for decline in value of inventories, the depreciation methods and the depreciation rates of the fixed assets, the amortisation methods of the intangible assets, the method of long-term assets impairment testing, and the policy for revenue recognition, etc.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present fairly and fully the financial position of the Group and the Company as at 31 December 2024 and the consolidated and the Company's financial performance, the consolidated and the Company's changes in equity and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company may determine their own functional currencies based on their specific economic environments. The Group adopts RMB to prepare its financial statements.

4. Determination method for materiality criterion and basis for selection

The Group applies the principle of materiality to prepare and present financial statements. An item is material if it is reasonably expected that the omission or misstatement of the item in the financial statements would affect the economic decision made by the user accordingly. When judging the materiality, the Group determined whether the item is material from two aspects, the nature of the item (whether it arises from the Group's normal activities, whether it materially affects the Group's financial position, financial performance, and cash flows, etc) and the amount of the item (the proportion of the amount to the Group's key financial indicator, including revenue, cost of sales, net profit, total assets, total liabilities, total shareholders' equity or the proportion to the amount of specific line item).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

5.1 Business

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs, and its costs or revenue generated can be calculated independently.

The sets of activities and assets acquired in the combination can be considered as business only when the sets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When no output created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes, and including necessary materials, rights, other necessary economic resources and other necessary inputs, for example techniques, research and development projects, real estates, mining equity, etc.

When outputs created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant costs.

When judging the sets of activities and assets acquired in the combination can be considered as business, the Group considers that it can be managed and operated as a business from the perspective of market participants, rather than judging by the management intention or the operating history of the acquiree.

5.2 Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is a party being acquired. The combination date is the date on which the acquirer effectively obtains control of the party being acquired.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations (Continued)

5.2 Business combinations involving entities under common control (Continued)

Assets and liabilities (including the goodwill recognised by the ultimate controlling party in acquisition of the acquiree) that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the combination date as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the year in which they are incurred.

5.3 Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the purchase date.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Business combinations (Continued)

5.3 Business combinations involving entities not under common control (Continued)

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable assets. Goodwill is subsequently measured at cost deducted by accumulated provision. If the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognised in profit or loss.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was affected, the acquirer recognises and measures the combination using those provisional values. Any adjustments to those provisional values within twelve months after the acquisition date are treated as if they had been recognised and measured on the acquisition date.

6. Consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (Continued)

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "non-controlling interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "net profit attributable to non-controlling interests" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under shareholders' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received on disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (Continued)

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights related to administrative tasks only. The relevant activities of a structured entity are directed by means of contractual agreements. When the Group acts as an asset manager in a structured entity, the Group is required to determine whether it is exercising decision-making rights as a principal or an agent in the structured entities. If the Group (as an asset manager) is only acting as an agent, it exercises decision-making rights on behalf of the principal (other investors of the structured entities) and does not control the structured entities. If the Group (as an asset manager) is exercising decision-making rights on its own behalf, it is the principal and controls the structured entities.

7. Joint arrangement and joint operations

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In respect of joint operations, the Group as a party of joint operation recognises its interest in a joint operation: (1) its assets held individually and its share of assets held jointly; (2) its liabilities assumed individually and its share of liabilities assumed jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its expenses incurred individually and its share of expenses incurred jointly.

The Group measures its joint ventures under equity method, please refer to Note III. 13.3.2.

8. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Foreign currency transactions and foreign currency translations

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rate ruling at the balance sheet date. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign spot exchange rates at the transaction dates and do not change the amounts of functional currency.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates functional currencies of overseas financial statements into RMB financial statements. All assets and liabilities are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the spot exchange rates ruling at the transaction dates; all items in the statement of profit or loss and other comprehensive income and items reflect amounts of profit distribution are translated at the spot exchange rates at the transaction dates. The undistributed profit at the beginning of the year/period equals the translated undistributed profit of the previous year/period; the undistributed profit at the end of the year/period is calculated according to the translated profit distribution items. Exchange fluctuations arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to profit or loss in the same period.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the spot exchange rates ruling at the dates of the cash flows. The effect of changes in exchange rates on cash and cash equivalents are presented as a reconciled item separately in the statement of cash flows.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument. For the financial assets that are purchased and sold under regular ways, the assets to be acquired and the liabilities to be assumed are recognised on the trade days, and the assets sold are derecognised on the trade days.

On initial recognition, financial assets and financial liabilities are recognised at fair value. For financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), relevant transaction costs are directly recognised in profit or loss; transaction costs relating to other categories of financial assets and financial liabilities are included in the value initially recognised. For trade receivables initially recognised that do not contain a significant financing component or a financing component included in the contracts less than one year which are not considered, which are within the scope of *Accounting Standard for Business Enterprises No. 14 – Revenue* (ASBE No. 14), transaction prices shall be adopted on initial recognition.

The effective interest method is a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation of the interest income or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all the contractual terms of the financial asset or financial liability (for example, prepayment, extension, call option or similar options) but shall not consider the expected credit losses ("ECL").

The amortised cost of a financial asset or a financial liability is the amount of a financial asset, or a financial liability initially recognised net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative credit loss allowance (only applicable to financial assets).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income ("FVTOCI") or at FVTPL.

10.1.1 Financial assets measured as at amortised cost

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model of which objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial assets measured at amortised cost. The Group's financial assets measured at amortised cost including cash and bank balances, bills receivable, trade receivables, other receivables, loans and advances to customers, long-term receivables due within one year that are presented under non-current assets due within one year and debt investments due within one year that are presented under non-current assets due within one year.

The above financial assets are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

Interest income from financial assets at amortised cost is recognised based on the effective interest method. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial asset, except:

- (1) For the purchased or internally generated credit-impaired financial assets, the Group recognises interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- (2) For the purchased or internally generated financial assets without credit-impairment but subsequently becoming credit-impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If the credit impairment no longer exists due to an improvement in credit risk of the financial instruments subsequently and such improvement is relevant to some events occurred after applying the policies mentioned above, the Group recognises interest income based on applying effective interest rate to gross carrying amount of the financial assets.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets (Continued)

10.1.2 *Financial assets classified as at FVTOCI*

Financial assets that meet the following conditions are subsequently measured at FVTOCI: the financial asset is held within a business model of which objective is achieved by both collecting contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as at FVTOCI are presented by the Group as other debt investments (non-current assets due within one year and are present as Current portion of non-current assets) and receivables at FVTOCI in financial statements.

Financial assets classified as at FVTOCI's relevant loss/gain on impairment and interest income based on effective interest rate are recognised in profit or loss. Except for the above circumstances, changes in fair value of such financial assets are all recognised in other comprehensive income. Such financial assets' changes that are recognised in profit or loss in each period equal to their changes that are recognised in profit or loss in each period as they are measured at amortised cost from acquisition date. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in profit or loss.

10.1.3 *Financial assets designated as at FVTOCI*

On initial recognition, the Group may irrevocably designate non-trading equity instruments as financial assets at FVTOCI on an individual basis. Financial assets designated as at FVTOCI are presented by the Group as other equity instrument investments in financial statements.

The fair value changes of such financial asset are recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in equity instruments, dividend income is recognised in profit or loss for the period when the Group has right to collect dividend, the economic benefits associated with dividend will probably flow into the Group and the amount of dividend can be reliably measured.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.1 Classification and measurement of financial assets (Continued)

10.1.4 Financial assets measured at FVTPL

Any financial assets that do not qualify for amortised cost measurement or measurement at FVTOCI or designated at FVTOCI are classified into financial assets at FVTPL. FVTPL are presented by the Group as held-for-trading financial assets and other non-current financial assets items in the statement of financial position, based on its liquidity.

The above financial assets are subsequently measured at fair value. Gains or losses arising from fair value changes and dividends and interest income in relation to such financial assets are recognised in profit or loss for the period.

10.2 Impairment of financial assets

The Group recognises loss allowance for financial assets measured as at amortised cost, financial assets classified as at FVTOCI, lease receivables, contract assets and financial guarantee contracts based on ECL.

The Group measures loss allowance for contract assets, trade receivables and lease receivables based on the amount of full lifetime ECL.

For other financial instruments, except for the purchased or internally generated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has not increased significantly since initial recognition, the Group recognises loss allowance based on 12-month ECL of the financial instrument. If the credit risk of the above financial instruments has increased significantly, the Group measures loss based on the amount of ECL for their full lifetime. The increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for financial assets classified as at FVTOCI, allowance for credit losses decreases the gross carrying amount of financial assets. For financial assets classified as at FVTOCI, the Group recognises credit loss allowance in other comprehensive income and does not decrease the carrying amount of such financial assets in the statement of financial position.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, at each balance sheet date, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at each balance sheet date. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.1 Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group uses available, reasonable and supportable forward-looking information, to compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For financial guaranteed contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: Whether the actual or expected operating results of the debtor have changed significantly; Whether supervisory, economic or technical environment for the debtor has significant detrimental changes; Whether value of collateral against debt mortgage or guarantee/ credit enhancement provided by a third party has changed significantly. It is expected that the aforesaid changes are economic motives that will lower the debtor's repayment based on contractual stipulation or have an impact on probability of default; Whether the debtor's expected performance and repayment activities have changed significantly; Whether the Group's financial instrument management measures have changed, etc.

At the balance sheet date, the Group assumes that credit risk of the financial instrument has not increased significantly since initial recognition when the Group determines that the financial instrument is only exposed to low credit risk. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.2 Credit-impaired financial assets

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

- (1) Significant financial difficulty of the issuer or debtor;
- (2) A breach of contract by the debtor, such as a default or overdue in interest or principal payments;
- (3) The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It becomes probable that the debtor will enter bankruptcy or other financial reorganisations;
- (5) Other objective evidence indicating the impairment of financial assets.

10.2.3 Measurement and recognition of ECL

The Group recognises credit losses for lease receivables and financial guarantee contracts on an individual basis. For trade receivables and contract assets, the Group individually assesses credit losses for those individually significant and credit-impaired and uses provision matrix to assess credit losses for the remaining. For other financial assets measured as at amortised cost and financial assets measured at FVTOCI, the Group assesses credit losses on an individual basis for those individually significant and credit-impaired or those individually significant and their credit risk has increased significantly since initial recognition but not credit-impaired, besides, the Group uses provision matrix to assess credit losses for the remaining. The Group classifies financial instruments into different groups based on credit risk characteristics. Credit risk characteristics include type of financial instruments, credit risk rating, contractual billing period and industry of debtor etc.

ECL of relevant financial instruments is recognised based on the following methods:

- (1) For a financial asset, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.2 Impairment of financial assets (Continued)

10.2.3 Measurement and recognition of ECL (Continued)

- (2) For a lease receivable, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (3) For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- (4) For credit-impaired financial assets other than the purchased or internally generated credit-impaired financial assets at the balance sheet date, credit loss is the difference between the gross carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

10.2.4 Reduction in financial assets

The Group directly reduces the gross carrying amount of financial assets when ceasing to reasonably expect that the contractual cash flow of such financial assets may be fully or partially recoverable. Such reduction comprises derecognition of relevant financial assets.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; or (3) although the financial asset has been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- (1) For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at FVTPL.
- (2) For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the date of derecognition and the consideration received from the transfer; and (2) the accumulated changes in fair value initially recorded in other comprehensive income is recognised in profit or loss. While regarding non-trading equity instruments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.3 Transfer of financial assets (Continued)

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts at the date of transfer. The difference between (1) the consideration received from the transfer; and (2) the cumulative changes in fair value previously recognised in other comprehensive income allocated to the part derecognised plus the carrying amount allocated to the part derecognised is recognised in profit or loss. If the Group transfers a financial asset that belongs to non-trading equity instrument investments designated as at FVTOCI, the cumulative gains or losses previously recognised in other comprehensive income allocated to the part derecognised are transferred and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and recognises the consideration received as a liability.

10.4 Classification and measurement of financial liabilities

The Group's financial instruments or their components are, on initial recognition, classified into financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms and in combination with definitions of financial liability and equity instruments, instead of only on the basis of the legal form.

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

10.4.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated as at FVTPL.

Held-for-trading financial liabilities are subsequently measured at fair value, any gains or losses arising from changes in fair value and any dividend or interest income earned on the financial liabilities are recognised in profit or loss.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.4 Classification and measurement of financial liabilities (Continued)

10.4.2 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, gains or losses arising from derecognition, or amortisation are recognised in profit or loss for the period.

10.4.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at FVTPL are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognised less cumulative amortisation amount during the guarantee period.

10.5 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

10.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Changes of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, dividends paid do not affect total amount of shareholders' equity.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.7 Derivatives and embedded derivatives

Derivative financial instruments related to the Group include option contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The changes in fair value are recognised in profit or loss.

For hybrid contract constituted by embedded derivatives and host contract, if the host contract is a financial asset, the embedded derivative is not separated from the hybrid contract, and the hybrid contract shall be taken as a whole to apply to the accounting standards for the classification of financial assets.

If the host contract included in the hybrid contract is not a financial asset and meets all of the following criteria, the embedded derivative shall be separated from the hybrid contract by the Group and treated as a standalone derivative.

- (1) The economic characteristics and risks of the embedded derivative are not highly related to the economic characteristics and risks of the host contract;
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (3) The hybrid instrument is not designated as a financial asset or financial liability at FVTPL.

If the embedded derivative is separated from the hybrid contract, the host contract shall be accounted for in accordance with the appropriate standards. If the Group is unable to measure reliably the fair value of an embedded derivative on the basis of its terms and conditions, the fair value of the embedded derivative is the difference between the fair value of the hybrid contract and the fair value of the host. If the Group is still unable to measure the fair value of the embedded derivative separately either at acquisition or at a subsequent reporting date after the above methods are applied, it designates the entire hybrid contract as a financial instrument at FVTPL.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

10.8 Convertible bonds

Convertible bonds issued by the Group that contain liability and conversion option are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is accounted for as equity rather than conversion option derivatives.

Convertible bonds are initially recognised at fair value at the issue date. If the convertible bonds include equity instruments, the fair value of liability component of the convertible bonds is determined based on the market value of similar bonds which have no conversion option. The balance of issue price and the fair value of liability is the value of conversion option and is recognised in shareholders' equity. The liability and conversion-embedded derivatives of the convertible bonds which include conversion embedded derivatives are initially recognised at fair value at the issue date.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss. The conversion option classified as equity remains in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of the convertible bonds are allocated to the liability, equity and derivative financial instruments components in proportion to their respective fair values. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the derivative financial instruments are charged to profit or loss.

10.9 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset, and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Inventories

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties held for sale. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, expenditures of land development, construction costs, infrastructure costs, costs of supporting facilities and other relevant costs.

Inventories are initially measured at actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined using the first-in first-out, weighted average or specific identification method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised using immediate write-off, and other turnover materials are amortised based on the number of times that they are estimated to be used.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realisable value. If the cost is in excess of net realisable value, provision for inventories is recognised in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the profit or loss for the current period.

Net realisable value is the estimated selling price under normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Held-for-sale assets

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (including an exchange of nonmonetary assets with commercial substance) rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognised before being classified to held-for-sale category is not reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

13. Long-term equity investments

13.1 Basis for determining joint control and significant influence

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree on the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred, and liabilities assumed adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition on the date of combination. For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not under common control, this should be dealt with for whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as one transaction to acquire control. If it does not belong to 'package deal', the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for other investments in equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings for the current period.

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fee, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with *Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement* (ASBE No. 22) and the additional investment cost.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

13.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence, and a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or other comprehensive income respectively for the period. Meanwhile, the carrying amount of long-term equity investments will be adjusted accordingly; for the share of the investee's profit or cash dividends declared by the investee, the carrying amount of long-term equity should be decreased accordingly; for changes in owner's equity rather than the investee's net profit or loss, other comprehensive income and profit distribution, carrying amount of long-term equity investments should be adjusted and included in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investee adopts different accounting policies and accounting period with the Company's, the financial statements are adjusted in accordance with the Company's accounting policies and accounting period, and then investment income and other comprehensive income are recognised. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures and contributions or sales of assets that do not constitute business are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised profit or loss resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

13.3 Subsequent measurement and recognition of profit or loss (Continued)

13.3.2 Long-term equity investment accounted for using the equity method (Continued)

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

13.4 Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the consideration shall be recorded through profit or loss in the current period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee, recognised in profit or loss of current period and carried forward proportionately; other shareholders' equity recognised from changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, is accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately; changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution are recognised in profit or loss for the current period and carried forward proportionately.

The Group loses control on investee due to disposal of part of shares, when preparing separate financial statement, remaining shares after disposal which can make joint control or significant influence on investee, are accounted under equity method, and are adjusted as they are accounted under equity method from acquisition date; if remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instrument, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Investment properties

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out; land use rights held for transfer upon capital appreciation; and buildings that are leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment real estate is disposed of or permanently retired from use and no economic benefits are expected from its disposal, the investment real estate shall be derecognised.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

15. Fixed assets

A fixed asset is a tangible asset of which useful life exceeds one accounting year and which is held for production of goods, rendering services, offering leases or operation and management. A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditure shall be recognised in profit or loss for the period in which it is incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, the cost of the fixed asset shall be determined based on the present value of the instalment payments. The difference between the actual payment and the present value of the purchase price is recognised in profit or loss over the credit period, except for such difference that is capitalised according to *Accounting Standard for Business Enterprises No. 17 – Borrowing Costs* (ASBE No. 17).

The accelerated depreciation method is adopted for depreciation of the fixed assets specifically used for research and development. The unit of production method is adopted for the depreciation of part of the large-scaled construction equipment. For other fixed assets, the straight-line method is adopted.

For fixed assets depreciated with the straight-line method, the estimated useful lives, estimated residual value rates and annual depreciation rates by category are as follows:

Category	Estimated residual value rates	Useful lives	Annual depreciation rates
Buildings	5%	20-35 years	2.71%-4.75%
Machinery	5%	10-25 years	3.80%-9.50%
Vehicles	5%	5-10 years	9.50%-19.00%
Production equipment	5%	5-10 years	9.50%-19.00%
Measuring and testing equipment	5%	5 years	19.00%
Others	5%	3-5 years	19.00%-31.67%

Where the individual component parts of a fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at the end of each year, makes adjustments and accounts for any change as a change in an accounting estimate when necessary.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Construction in progress

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowings before the asset is ready for its intended use, and other related expenditures during the period of construction.

The timing and criteria of construction in progress to be ready for its intended use are as follows:

Buildings	completion and acceptance
Machinery and equipment	completion of installation and acceptance

17. Borrowing costs

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the construction or production of qualifying assets are capitalised and other borrowing costs are recognised as expenses. A qualifying asset is defined as a fixed asset or inventory that necessarily takes a substantially long period of time to get ready for its intended use or sale.

Capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have incurred;
- (2) borrowing costs have incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised as expenses in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalisation are the actual borrowing costs incurred during the current period deducted by any temporary interest or investment income; and
- (2) for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the capital expenditure that accumulated capital expenditures exceed the specific borrowings.

Capitalisation of borrowing costs is suspended during extended periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than three months, until the acquisition or construction is resumed. Borrowing costs incurred during the suspension period are recognised as expenses until the acquisition or construction of a fixed asset is resumed.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets

The Group's intangible assets include land use rights, concession rights, software licenses, mining rights and others.

An intangible asset shall be recognised only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination involving entities not under common control with a fair value that can be measured reliably are recognised separately as intangible assets and measured initially at fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the traffic volume basis, straight-line basis or unit of production basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each year end.

18.1 Land use rights

Land use rights represent costs incurred for a certain lease period of land.

The Group accounts for its land use rights as intangible assets. The land use rights of self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortised on the straight-line basis according to the useful lives approved in the obtained land use certificates.

18.2 Concession rights

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and other construction works) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority, or the Group purchases the concession rights directly. The assets under the concession arrangements are accounted for according to their arrangement nature, and details are set out in Note III.34.

The amortisation approach, either the traffic volume method or the straight-line method, should be selected for concession operation projects based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

18.3 Software licenses

The software licenses are recorded at the price actually paid upon acquisition and are amortised equally over the estimated useful life of one to ten years.

18.4 Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortisation is calculated in adoption of the unit of production method based on proved mining reserves.

18.5 Development expenditure

Collection scope of R&D expenditure includes wages, salaries and benefits of personnel directly engaged in R&D activities; expenses of materials, fuel and power directly consumed by R&D activities; depreciation expenses of instruments and equipment of R&D activities; leasing and maintenance expenses of R&D sites; travel, transportation and communication fee required by research and test development; as well as the entrusted development expenditure, etc.

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

19. Long-term prepayments

Long-term prepayments represent expenditures incurred which should be recognised as expenses over one year and should be allocated in current and subsequent periods, including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortised on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognised in profit or loss immediately as incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Provisions

Except for contingent liabilities assumed in business combinations involving entities not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

21. Revenue

The revenue of the Group is mainly generated from business types as follows:

- The construction operations, which mainly comprises the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- The plan, design and consultancy operations, which mainly comprises the provision of plan, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- The manufacturing operations, which mainly comprises the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- The real estate development operations, which mainly comprises the development, construction and sale of residential properties and commercial properties;
- The other business operations, which mainly comprises trade and logistics, finance and insurance brokerage and highway operation.

When (or as) a performance obligation in a contract is satisfied, i.e., when (or as) the customer obtains control of relevant goods or services, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

A performance obligation is the Group's promise to transfer to a customer a good or service (or a bundle of goods or services) that is distinct, in a contract with the customer.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. When the Group is not able to reasonably measure its performance progress, the Group recognises revenue only to the extent of the recoverable amount of costs incurred until such time that it can reasonably measure the performance progress.

For plan, design and consultancy operations, manufacturing operations, real estate development operations and other business operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts that the Group expects to refund to the customer.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Significant financing component

For contracts that contain significant financing components, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when the control of goods or services is transferred to the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and shall recognise the reduction of revenue when (or as) the later of either of the following events occurs: (1) the Group recognises revenue for the transfer of the related goods or services to the customer; and (2) the Group pays or promises to pay the consideration.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to each performance obligation on a basis of relative stand-alone selling price, at which an entity would sell a promised good or service separately to a customer. When an entity has observable evidence that the contract discount or the variable consideration relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate the contract discount or the variable consideration to one or more, but not all, performance obligations in the contract.

The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Sales with warranties

For sales with warranties, if the warranties are separate services to the customer other than serving as an assurance that the products sold comply with agreed-upon specifications, the warranties constitute single performance obligations. Otherwise, the Group accounts for warranties in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies* (ASBE No. 13).



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Principal versus agent

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party or is determined by some established amounts or proportions.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs as an asset if it expects to recover these costs. The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year. Other costs of obtaining a contract are recognised in profit or loss when they occur, unless they are going to be reimbursed by customers. The asset is presented as other current assets or other non-current assets according to whether the amortisation period exceeds one normal operating period.

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than ASBE No. 14, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset is presented as inventories or other non-current assets according to whether the amortisation period exceeds one normal operating period.

The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised as expenses in relevant periods.

When determining the impairment loss of assets related to the contract cost, in the first place, the impairment loss of other assets related to the contract and recognised in accordance with other relevant business accounting standards should be determined; Then, the Group shall recognise an impairment loss to the extent that the carrying amount of the asset mentioned above exceeds the difference between the following items: (1) the remaining amount of consideration that the Group expects to receive in transfer for the goods or services to which the asset relates; (2) the estimated costs that relate to transferring those goods or services and that have not been recognised as expenses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (Continued)

Costs to fulfil a contract (Continued)

The Group shall, after the impairment has been provided, recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Contract assets

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract assets are specified in Note III. 10.2. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

22. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attached and the Group would receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value of the asset. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

22.1 Judgment basis and accounting treatments for government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets.

Government grants related to assets are charged against carrying amount in related assets when related assets become ready for their intended use.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Government grants (Continued)

22.2 Judgment basis and accounting treatments for government grants related to income

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

For repayment of a government grant already recognised, if government grants were charged against carrying amount of the related assets at initial recognition, the repayment adjusts the carrying amount of assets. If there is related deferred income, the repayment is offset against the gross carrying amount of the deferred income, and any excess is recognised in profit or loss for the period. If there is no related deferred income, the repayment is recognised immediately in profit or loss for the period.

22.3 Relocation compensation received due to public interests

The Group receives relocation compensation directly from the government for the benefit of public interests such as urban overall planning, reservoir construction, and renovation of shanty towns and subsidence area control. The relocation compensation is paid out of financial budgets by the government and is recognised as special payable when received. Therein compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income and recognised as government grants relating to assets and government grants related to income accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Income tax

Income tax expenses comprise current and deferred tax. Current tax expenses and deferred tax expenses are recognised as income or expenses in profit or loss for the current period, except for the deferred tax as an adjustment of goodwill arising from a business combination, or the current tax expenses and the deferred tax expenses to be recognised directly in other comprehensive income or shareholders' equity, which arise from transactions or events that should be recognised directly in other comprehensive income or shareholders' equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

Based on the temporary differences between the carrying amount of an asset or liability on the balance sheet date and its tax base, and the differences between the carrying amount of some items that have a tax base but are not recognised as assets and liabilities and their tax base, the Group adopts the liability method for the provision for deferred tax.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, it affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of deductible tax losses and tax credits can be utilised, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination, at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Income tax (Continued)

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

24. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identical asset for a period of time in exchange for consideration.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at inception. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

24.1 As a lessee

Separating components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises a right-of-use asset at the commencement date of the lease. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset shall include:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the Group; and
- (4) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease terms are depreciated from commencement date to the end of their useful lives. Otherwise, right-of-use assets are depreciated over the shorter of their estimated useful lives and the lease terms.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets* (ASBE No.8).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of a lease, the Group recognises the lease liability at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the implicit interest rate in the lease as the discount rate, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determined.

The lease payments are payments to the lessor for the right to use the underlying asset during the lease term made by the Group:

- (1) fixed payments, including in-substance fixed payments, less any lease incentives receivable, if applicable;
- (2) the exercise price of a purchase option reasonably certain to be exercised by the Group;
- (3) payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, the Group recognises interest expenses in each accounting periods during the lease, based on a fixed periodic rate of interest on the remaining balance of the lease liabilities. The interest expenses are recognised into profit or loss for the current period or the cost of the related assets.

After the commencement date, if the lease term or the assessment of purchase option changes, the Group shall remeasure the lease liability, according to modified lease payments and present value with modified discount rates and make corresponding adjustments to the related right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group shall recognise any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and vehicles and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset is a lease that the single underlying asset, when is new, is of low value. The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.1 As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and re-measures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

24.2 As a lessor

Separating components of a contract

For a contract that contains lease components and non-lease components, the Group applies ASBE No. 14 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Classification of leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

Recognition and measurement as a lessor of an operating lease

The Group recognises lease receivables from operating leases as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

For the contingent receivables not included in the operating lease receivables, the Group recognises into profit or loss when received.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (Continued)

24.3 Sale and leaseback transactions

As a seller-lessee

The Group applies the requirements of ASBE No. 14 to assess whether the sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For the sales and leaseback transaction that does not constitute a sale, the Group continues to recognise the transferred asset, and recognises a financial liability which is equal to the transfer proceeds and accounts for the financial liability applying ASBE No. 22. If the sales and leaseback transaction constitute a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. After the lease commencement date, the Group shall make subsequent measurements of the right-of-use assets and lease liabilities formed by the leaseback transaction in accordance with the above provisions on subsequent measurement of such assets and liabilities.

25. Impairment of long-term assets

The Group determines the impairment of assets, other than the impairment of inventories, deferred tax assets, financial assets, contract assets and assets related to the costs incurred in fulfilling a contract, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset. Goodwill arising from a business combination and an intangible asset with an indefinite useful life is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset or an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is recognised as a provision for impairment loss and profit or loss for the current period.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Impairment of long-term assets (Continued)

In impairment testing for goodwill, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognised any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent periods.

26. Employee benefits

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouses, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

26.1 Short-term benefits

In the period of employee services, short-term benefits are actually recognised as liabilities and charged to profit or loss or the related costs of assets for the current period.

26.2 Post-employment benefits (defined contribution plans)

If employees of the Group participate in the basic pension insurance and unemployment insurance plans managed by local governments and participate in the supplementary pension insurance of the Group as well, the relevant expenditures are recorded in the relevant capital costs and expenses in the period when incurred.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits (Continued)

26.3 Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured using the projected cumulative unit credit method.

Any re-measurement caused by the defined benefit plans, including actuarial gains or losses, is recognised in the statement of financial position immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be reversed to profit or loss in the subsequent accounting periods.

The past service costs should be recognised as current expenses at the earlier of the following dates: (1) when the Group modifies the defined benefit plans; and (2) when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognised changes in the net defined benefit obligation as general and administrative expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

26.4 Termination benefits

The Group recognises a liability and expenses for termination benefits at the earlier of the following dates: (1) when the Group can no longer unilaterally withdraw the offer of those benefits for proposals or suggestions for termination of employment; and (2) when the Group recognises costs or expenses for restructuring and involves the payment of termination costs or expenses.

26.5 Housing funds

All full-time employees of the Group in Mainland China are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees.

26.6 Bonus entitlements

The estimated cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are estimated to be settled within 12 months and are measured at the amounts estimated to be paid when they are settled.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring

27.1 Recording of debt restructuring obligation as the debtor

When a debt is settled by an asset in a debt restructuring, the Group derecognises the relevant asset and the debt settled when the derecognition criteria for the asset and the debt are satisfied. The difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognised in profit or loss for the current period.

When a debt is converted into an equity instrument in a debt restructuring, the Group derecognises the debt settled when the derecognition criteria for the debt are satisfied. On initial recognition, the equity instrument is recognised at fair value. When the fair value of the equity instrument cannot be measured reliably, the equity instruments are recognised at the fair value of the debt. The difference between the carrying amount of the debt and the carrying amount of the equity instrument is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the debt restructured in accordance with ASBE No. 22 and *Accounting Standard for Business Enterprises No.37- Presentation of Financial Instruments* (ASBE No. 37).

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group recognises and measures the equity instrument and the debt restructured in accordance with the policies regarding debts settled by assets and debts converted into equity instruments, as mentioned above. The difference between the carrying amount of the debt and the sum of the carrying amount of the assets transferred, the carrying amount of the equity instrument recognised and the carrying amount of the debt restructured, is recognised in profit or loss for the current period.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring (Continued)

27.2 Recording of debt restructuring obligation as the creditor

When a debt is settled by assets in a debt restructuring, on initial recognition of the assets other than financial assets, the assets are recognised at cost.

- (1) The cost of inventories includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, insurance and other costs, for bringing the assets to the current position and condition;
- (2) The cost of fixed assets includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, installation costs, professional service costs and other costs, for bringing the assets to working condition for intended use.

The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When the debt restructuring causes the Group to convert the debt receivable to an equity investment of joint ventures or associates, the creditor shall measure the equity investment based on the sum of the fair value of debt receivable, and any directly attributable taxes and other costs of the investment. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the restructured debt receivable in accordance with ASBE No. 22.

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group first recognises and measures the financial assets received and restructured debt receivable in accordance with ASBE No. 22, and then allocates the net value, which is the fair value of the debt receivable deducted by the recognised total carrying amount of financial assets received and restructured debt receivable, to the costs of non-financial assets received based on their relative fair value. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Nonmonetary Transactions

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the nonmonetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the nonmonetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

When several assets are received at the same time in an nonmonetary transaction, if the transaction is measured at fair value, the cost of each asset other than financial assets received is determined by apportioning the net amount, which is the total fair value of all assets given up deducted by the fair value of the financial assets received, based on the proportion of the fair value of each asset received, and plus related taxes payable, at initial recognition; When there is clear evidence indicating that the fair value of the received assets is more reliable, the fair value of each asset received and related taxes payable are recognised as cost of each asset received at initial recognition; If the transaction is measured at carrying amounts, the cost of each asset received is determined by apportioning the total carrying amounts of all assets given up based on the proportion of the fair value of each asset received to the total fair value of all assets received.

When several assets are given up at the same time in an nonmonetary transaction, if the transaction is measured at fair value, at each asset's derecognition, the difference between each asset's fair value and carrying amount is recognised in profit or loss for the current period; When there is clear evidence indicating that the fair value of the received assets is more reliable, the profit or loss, recognised for the current period, of derecognition of each asset given up is the net amount, which is the apportioning of the total fair value of the assets received, based on the proportion of the fair value of each asset given up to the total fair value of all assets given up, deducted by the carry amount of each asset given up; if the transaction is measured by carrying amounts, no profit or loss of derecognition of assets given up, is recognised.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Profit distribution

The cash dividend of the Company is recognised as a liability upon approval in the annual shareholders' meeting.

30. Renewable corporate bonds and other financial instruments

The renewable corporate bonds and other financial instruments issued by the Group shall be classified as equity instruments if no contractual obligations of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavourable.

For renewable corporate bonds and other financial instruments classified as equity instruments, distribution of interests and dividends are recognised into distribution of equity. Its repurchase and cancellation are recognised as changes of equity and transaction costs related to equity transactions are deducted from equity.

31. Production safety expenses

The Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2022] No.136) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the Ministry of Emergency Management.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and other comprehensive income and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when relevant assets become ready for their intended use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that they can access at the measurement date;

Level 2: Inputs are inputs, other than quoted process included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

33. Asset securitisation

The Group has securitised a portion of receivables ("underlying assets") where underlying assets are sold and transferred to a special purpose entity ("SPE"). The SPE issues senior and subordinate assets-backed securities to investors, while the Group holds some portion of subordinate assets-backed securities which are not transferrable until the principal and interests of the senior assets-backed securities have been repaid. The Group acts as an asset service provider to provide services such as asset management and collection, contract revision and other services. The cash received from the underlying assets during the periods of collection, after paying SPE taxation and relevant fees, will be firstly used to repay the principal and interests of the senior assets-backed securities; the remaining cash after paying the principal and interests in full is treated as income from subordinate assets-backed securities. The Group shares relevant income based on its proportion of subordinate assets-backed securities.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Asset securitisation (Continued)

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

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

The Group securitised a portion of the retention receivables by selling and transferring the retention receivables to a special-purpose entity. The above accounting policy for securitised financial assets is applied by reference to the condition that the performance obligations relating to the construction of the project have been completed and the contractor has undertaken to complete the performance obligations relating to the liability for defects.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Public – Private – Partnership (“PPP”) project contract

The PPP project contract represents the contract entered into between the private party and the government in respect of the Public-Private-Partnership project (hereinafter referred to as the “PPP project”) in accordance with the laws and regulations. The PPP project contract shall meet the following two characteristics (hereinafter referred to as the “Dual characteristics”): (1) the private party shall utilise the PPP project assets so as to provide public goods and services on behalf of the government during the operation period stipulated in the contract; (2) the private party shall be compensated for the public goods and services it provides during the period stipulated in the contract. The PPP project contract shall also meet the following two conditions (hereinafter referred to as the “Dual controls”): (1) the government shall have control over the type, object and price of the public goods and services that must be provided by the private party through the utilisation of the PPP project assets; (2) the government shall control the significant residual interest in the PPP project assets through ownership, right to income or other forms of rights upon termination of the PPP project contract.

The Group, as the private party, has entered into PPP project contracts with the government. According to such contracts, the Group shall provide construction services (including construction, renovation and expansion, similarly hereinafter), contract out the construction to other parties or perform other obligations. And the Group shall account for such contracts and recognise contract assets based on the determination that whether it is an agent or a principal in accordance with ASBE No. 14 – Revenue.

If the Group provides multiple services (for example, provide both construction services for PPP project assets and the operation and maintenance services upon the completion of the construction) in accordance with the contract, it shall identify the single performance obligation included in the contract and allocate the transaction price to each performance obligation in accordance with the proportion of the stand-alone selling price of each performance obligation in accordance with the provisions of ASBE No. 14 – Revenue.

During the operation period of the project, if the Group has the right to receive fees from the party which obtains the public goods and services in accordance with the PPP project contract, but the amount of the fees cannot be determined, the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project will be recognised as an intangible asset and presented as concessions under the line of intangible assets in the balance sheet when the PPP project assets are ready for intended use.

During the operation of the project, if the Group has the right to receive a determinable amount of cash (or other financial assets), the Group can recognise the amount as a receivable when it has the right to receive such cash (such right only depends on the passage of time) in accordance with the PPP project contract. The Group recognises the difference between the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project and the determinable amount of cash (or other financial assets) that the Group has the right to receive as an intangible asset when the PPP project assets are ready for intended use.

For the portion of the Group's consideration or construction revenue recognised for relevant PPP project assets that has been included in intangible assets and the contract assets recognised during the construction period, they are presented in the concessions under the line item of intangible assets; for other contract assets recognised during construction period, they are presented under the line item of contract assets or other non-current assets, depending on whether they are expected to be realised within one year since the balance sheet date.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at each balance sheet date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

At the balance sheet date, accounting estimates that probably lead to significant future adjustments on the carrying amount of assets and liabilities are as follows:

Revenue from construction operations

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method. The Group's management makes reasonable estimates on the expected total contract revenue and total contract costs based on the budgets prepared for construction operations to determine the performance progress and identify onerous contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Due to the nature of activities associated with construction, the Group has to continuously review and revise budget prepared for each construction operation throughout the contract period. Revision may have effect on revenue, profit and other items related to construction operations during the period when the revision incurred.

Impairment of trade receivables and contract assets

For trade receivables and contract assets scoped in ASBE No. 14, the Group measures loss allowances for trade receivables and contract assets based on lifetime ECL. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually, based on the evidence of credit-impairment and forward-looking information. Except for trade receivables and contract assets which are individually significant and credit-impaired, the Group's management classifies the trade receivables and contract assets into different portfolios based on credit risk characteristics and uses provision matrix to assess ECL. The provision rates are based on the Group's historical actual loss rates, taking into consideration forward-looking information. The impairment of trade receivables and contract assets involves management's accounting estimations and judgements. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of trade receivables and contract assets during the period when the reassessment incurred.

Impairment of other financial assets

For financial assets which are not scoped in ASBE No. 14, the Group assesses changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date and calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime. The calculation of ECL involves management's judgment on whether significant increase in credit risk and management's estimation on future contractual cash flows. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of financial assets during the period which the reassessment incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Impairment of properties under development and completed properties held for sale

The Group has to evaluate the net realisable values for properties under development and completed properties held for sale at each balance sheet date. When the net realisable values are lower than the carrying amounts, a provision is made by the Group.

The principal assumptions for the Group's estimation of the net realisable values of the properties under development include those related to prevailing market prices for similar properties in the same location and condition, estimated costs to be incurred to completion of the properties and discount rates.

The Group estimates the net realisable value for completed properties held for sale based on the selling price, sales projections, sales expenses to be incurred and relevant tax expenses, with reference to the current market prices and actual sale progress.

Impairment of long-term equity investments

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss.

The recoverable amount of long-term equity investment is based on the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from long-term equity investment. The present value of the estimated future cash flow is based on the investee's present value of the future cash flow, that is, the amount of the estimated future cash flow generated by the investee in the process of continuous operation and discounted at the appropriate discount rate.

Impairment of concession rights

The Group assesses at the balance sheet date whether there is any indication that the concession rights may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss on assets.

The recoverable amount of the franchise rights is the higher of its fair value less costs of disposal and the present value of the estimated future cash flows. The present value of estimated future cash flows is determined based on the present value of estimated future cash flows during the period of the concession rights, i.e. based on the estimated future cash flows generated by the concession rights in the continuous use and discounted to the present value by selecting the appropriate discount rates. The estimated future cash flows are estimated based on the expected revenue of services rendered under concession arrangements and other income from the concession rights, net of necessary maintenance expenses and operating costs.



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the probable obligations have been made based on management's best estimates and judgments.

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and residual values of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of fixed assets are less than previous estimation. Useful lives and residual values are reviewed, at each balance sheet date, based on changes in circumstances.

Amortisation of concession rights of highways

If the assets under the concession arrangement acquired by the Group's participating in the construction of the highway are applicable to intangible asset model, the concession rights are amortised at the early stage of operation period based on expected realisation approach of associated economic benefits using traffic volume method or straight-line method. In the case of traffic volume method amortisation (namely, calculating the total annual amortisation amount based on the percentage of actual traffic volume in the current period in the estimated total traffic volumes), amortisation calculation is initiated since the operation of the relevant turnpike highways.

The Group's management made judgments on the proportion of actual traffic volume in the total estimated traffic volume. Where the difference between the actual amount and the estimation is substantial, the management will re-estimate the total estimated traffic volume based on the actual traffic volume and adjust the amortisation of annual provisions for standard traffic volumes in subsequent years.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (Continued)

Income tax and deferred tax assets

The Company and its subsidiaries are subject to income taxes in numerous jurisdictions in domestic provinces and certain overseas countries. In order to reliably estimate and judge, the income tax provision is required to be determined based on existing tax laws, regulations and practices, if the relevant affairs of income tax have not yet been confirmed by relevant tax authorities. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current period income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. In cases where the actual future profits generated are different from the estimation, such difference will influence on or change the deferred tax assets and income tax recognised in the relevant period.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future expected cash flows from the asset groups or set of asset groups to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups or set of asset groups and also choose a suitable discount rate in order to calculate the present value of those cash flows.

36. Changes in accounting policies

The Interpretation No. 17 of the *Accounting Standards for Business Enterprises (the "Interpretation No. 17")* and the *Interpretation No. 18 of the Accounting Standards for Business Enterprises (the "Interpretation No. 18")* were issued by the Ministry of Finance on 25 October 2023 and 6 December 2024, respectively, and the Group is required to apply the relevant provisions in accordance with the effective dates of the Interpretation No. 17 and Interpretation No. 18.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Changes in accounting policies (Continued)

36.1 Impact of Interpretation No. 17 on the Group

Interpretation No. 17 stipulated the classification of current and non-current liabilities and the accounting treatment of leaseback transactions. This Interpretation became effective from 1 January 2024.

36.1.1 Classification of current and non-current liabilities

The Interpretation No. 17 amended and refined the principles for the classification of current and non-current liabilities stated in the *Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements* as follows: it specified that if an enterprise had no substantive right on the balance sheet date to defer the settlement of liabilities beyond one year or more from the balance sheet date, such liabilities should be classified as current liabilities and whether an enterprise had the subjective possibility to exercise the aforesaid rights does not affect the classification of liability liquidity; it specified that for liabilities arising from corporate loan arrangements, if the right to defer the settlement of the liability beyond one year from the balance sheet date depended on contractual conditions, the conditions to be followed before and after the balance sheet date should be distinguished, considering whether there was a right to defer the settlement of the liability at the balance sheet date; it specified that if the counterparty to the liability transaction had the option to settle in the enterprise's own equity instruments, and this option was classified as an equity instrument and recognised separately, then the related settlement terms were irrelevant to the liquidity classification of the liability and it specified disclosure requirements related to loan arrangements classified as non-current liabilities with contractual conditions attached. The Interpretation also required that an enterprise should adjust the comparable period information at its initial implementation of the Interpretation.

36.1.2 Accounting treatment of sale and leaseback transactions

The Interpretation No.17 stipulated that if the transfer of assets in a sale and leaseback transaction is considered a sale, after the commencement date of the lease, the lessee should ensure that the determination of lease payments or revised lease payments does not result in the recognition of gains or losses related to the right to use the asset leased back when subsequently measuring the lease liability formed from the sale and leaseback. If a lease modification leads to a reduction in the scope of the lease or a shortening of the lease term, the lessee should recognise the related gains or losses from the partial or complete termination of the lease in the current period's profit or loss, without being subject to the aforementioned restrictions. When implementing for the first time, the enterprise should retroactively adjust sale and leaseback transactions carried out after the initial adoption of *Accounting Standards for Business Enterprises No. 21 – Leases*.

After assessment, the Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. Changes in accounting policies (Continued)

36.2 Impact of Interpretation No. 18 on the Group

Interpretation No. 18 stipulated the accounting treatment of assurance-type warranties which are not separate performance obligations. The interpretation became effective from 6 December 2024, and the enterprise is allowed to implement it in advance from the year of release.

The Interpretation No. 18 stipulated that when accounting for provisions arising from assurance-type quality assurance which are not separate performance obligations in accordance with the *Accounting Standards for Business Enterprises No. 14 – Revenue*, the amount of provisions determined in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies*, shall be debited to “Cost of Principal Operating Activities” or “Cost of Other Operating Activities” and credited to “provisions”, and presented accordingly under “cost of sales” in the statement of profit or loss and “other current liabilities”, “current portion of non-current liabilities” and “provisions” in the statement of financial position. When implementing for the first time, the enterprise shall retrospectively adjust the changes in accounts and items presented in the financial statements involving the accounting treatment of above assurance-type quality assurance as changes in accounting policies if such assurance-type quality assurances were included in “selling and distribution expenses”. The Group accounted for the assurance-type quality assurance in “selling and distribution expenses” and implemented the Interpretation in advance in the current year, with the amounts affected shown as follows:

RMB'000			
Item	2023	Adjustment	2023 (Restated)
Selling and distribution expenses	7,377,871	(65,969)	7,311,902
Cost of sales	1,019,683,082	65,969	1,019,749,051

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION

1. Major categories of taxes and respective tax rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	Sales revenue and construction installation income in accordance with relevant tax law	3%, 6%, 9%, 13%
Enterprise income tax ("EIT")	Taxable income	All enterprises are subject to EIT at 25% except for some domestic subsidiaries qualified for tax preferential (Note IV. 2) and overseas subsidiaries that are subject to EIT in accordance with the local tax laws applicable to the jurisdiction where the company was registered.
City maintenance and construction tax ("CCT")	Based on the actual VAT and circulation tax payment	1%, 5%, 7%
Educational surcharge	Based on the actual VAT and circulation tax payment	3%
Local educational surcharge	Based on the actual VAT and circulation tax payment	2%
Land appreciation tax ("LAT")	Calculate LAT based on the appreciation amount arising from the transfer of properties and the extra progressive tax rate	Extra progressive tax rate: 30%, 40%, 50%, 60%

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential

Super deduction of research and development (R&D) expenses

Pursuant to Chapter IV, Item 1 of Article 30 of the Law of the PRC on Enterprise Income Tax Law (the “New EIT Law”), the Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119) and the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policies Regarding Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2023] No. 7), with respect to research and development (R&D) expenses of the Company and its subsidiaries that complies with the above provisions, an extra 100% of the actual amount of expenses is deductible before tax.

Tax preferential for the Western Region Development

Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for Western Development Strategies (Cai Shui [2020] No. 23), the tax preference for the Western Region Development are valid until 2030. According to the Circular, “from 1 January 2021 to 31 December 2030, enterprise income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises whose principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region, the income of which accounts for more than 60% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region has been issued by National Development and Reform Commission. If the catalogue is modified during the period of the announcement, the modified version shall apply since the date of implementation.”

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Tax preferential for the Western Region Development (Continued)

At present, the Catalogue of Encouraged Industries in the Western Region has been approved by the State Council and has been implemented since 1 October 2014. Certain subsidiaries of the Company, including China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司), China Railway 11th Bureau Group Tibet Engineering Co., Ltd. (中鐵十一局集團西藏工程有限公司), China Railway 11th Bureau Group Xi'an Construction Co., Ltd. (中鐵十一局集團西安建設有限公司), China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司), China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司), China Railway 12th Bureau Group (Tibet) Engineering Co., Ltd. (中鐵十二局集團(西藏)工程有限公司), China Railway 12th Bureau Group Hanzhong Xudong Engineering Co., Ltd. (中鐵十二局集團漢中旭東工程有限公司), China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司), China Railway Construction Chongqing Construction Technology Co., Ltd. (中鐵建重慶建築科技有限公司), China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司), China Railway 15th Bureau Group Tibet Engineering Co., Ltd. (中鐵十五局集團西藏工程有限公司), China Railway 16th Bureau Group Tibet Engineering Co., Ltd. (中鐵十六局集團西藏工程有限公司), China Railway 17th Bureau Group 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司), China Railway 17th Bureau Group 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司), China Railway 17th Bureau Group Tibet Engineering Co., Ltd. (中鐵十七局集團西藏工程有限公司), China Railway 18th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十八局集團隧道工程有限公司), China Railway 19th Bureau Group Tibet Engineering Co., Ltd. (中鐵十九局集團西藏工程有限公司), China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司), China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司), China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司), China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司), China Railway 20th Bureau Group Electrification Engineering Co., Ltd. (中鐵二十局集團電氣化工程有限公司), China Railway 20th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十局集團市政工程有限公司), China Railway Guizhou Engineering Co., Ltd. (中鐵貴州工程有限公司), Chongqing Qinyu Property Management Co., Ltd. (重慶秦渝物業管理有限公司), China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司), China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司), China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司), China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司), China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司), China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司), China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司), China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司), China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司), China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司), China Railway 23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司), China Railway 23rd Bureau Group Tibet Engineering Co., Ltd. (中鐵二十三局集團西藏工程有限公司), China Railway 23rd Bureau Group Rail Transit Sichuan Engineering Co., Ltd. (中鐵二十三局集團軌道交通四川工程有限公司), China Railway 25th Bureau Group (Ganzhou) Engineering Co., Ltd.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Tax preferential for the Western Region Development (Continued)

(中鐵二十五局集團(贛州)工程有限公司), China Railway Construction Electrification Bureau Group Xi'an Electrical Product Co., Ltd. (中鐵建電氣化局集團西安電氣化製品有限公司), China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司), China Railway First Survey and Design Institute (Shaanxi) Engineering Construction Co., Ltd. (中鐵一院(陝西)工程建設有限公司), Xi'an Runtong Digital Technology Co., Ltd. (西安潤通數字科技有限公司), Lanzhou Railway Survey and Design Institute Co., Ltd. (蘭州鐵道設計院有限公司), China Railway Material Group Southwest Co., Ltd. (中鐵物資集團西南有限公司), China Railway Material Group Yunnan Co., Ltd. (中鐵物資集團雲南有限公司), China Railway Construction Heavy Industry Xinjiang Co., Ltd. (鐵建重工新疆有限公司), China Railway Longchang Materials Co., Ltd. (中鐵隆昌鐵路器材有限公司), China Railway Highway China Petroleum (Sichuan) Energy Co., Ltd. (鐵建高速中油(四川)能源有限公司), China Railway Construction Guizhou Anshun-Ziyun Highway Co., Ltd. (中鐵建貴州安紫高速公路有限公司), China Railway Construction Chongqing Rail Transit Loop Line Construction Co., Ltd. (中鐵建重慶軌道環線建設有限公司), China Railway Construction Sichuan Jianpu Expressway Co., Ltd. (中鐵建四川簡蒲高速公路有限公司), CRCC Kunlun Investment Group Co., Ltd. (中國鐵建昆侖投資集團有限公司), China Railway Construction Kunlun Metro Investment Construction Management Co., Ltd. (中鐵建昆侖地鐵投資建設管理有限公司), China Railway Construction Yunnan Investment Co., Ltd. (中鐵建雲南投資有限公司), Chengdu CRCC Kunlun Rail Engineering Co., Ltd. (成都中鐵建昆侖軌道工程有限公司), Jintang CRCC Kunlun City Construction Co., Ltd. (金堂中鐵建昆侖城市建設有限公司), Chengdu CRCC Chengzi Rail Transit Development Co., Ltd. (成都中鐵建成資軌道交通發展有限公司), Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司), Chongqing China Petroleum & Railway Construction Industrial Co., Ltd. (重慶中油鐵建實業有限公司), CRCC Chongqing Investment Group Co., Ltd. (中鐵建重慶投資集團有限公司), CRCC Chongqing Petrochemical Sales Co., Ltd. (中鐵建重慶石化銷售有限公司), Chongqing Jinlu Traffic Engineering Co., Ltd. (重慶金路交通工程有限責任公司), CRCC Ecological Environment Co., Ltd. (中鐵建生態環境有限公司), Chengdu CRCC Kunlun Zhenrong Eco-construction Co., Ltd. (成都中鐵建昆侖振蓉生態建設有限公司), China Railway Construction Kunlun Expressway Operation Management Co., Ltd. (中鐵建昆侖高速公路運營管理有限公司), China Railway Construction Kunlun Road and Bridge Construction Co., Ltd. (中鐵建昆侖路橋建設有限公司), Xuanwei Jingyuan Environmental Treatment Co., Ltd. (宣威市淨源環境治理有限公司), CRCC Yunnan Transportation Construction & Management Co., Ltd. (中鐵建雲南交通建設管理有限公司), CRCC Chongqing Investment Group Industrial Development Co., Ltd. (中鐵建重慶投資集團實業發展有限公司), Railway Construction Northwest Investment & Construction Co., Ltd. (中鐵建西北投資建設有限公司) and China Railway Construction (Yinchuan) City Development Co., Ltd. (中鐵建(銀川)城市發展有限公司), met requirements and are applicable to preferential income tax rate of 15% for the Western Region Development in 2023 and 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Preferential Tax Policy for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui [2022] No. 19), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

- (1) The principal business of the enterprise meets the requirements of Preferential Enterprise Income Tax Catalogue for the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (2021), and its income accounts for more than 60% of the total income;
- (2) the actual management organisation of the enterprise is located in Guangdong-Macao In-Depth Cooperation Zone in Hengqin, and it conducts substantive and comprehensive management and control over the production and operation, personnel, accounting, property, etc. of the enterprise.

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司) and China Railway Construction Highway Operation Co., Ltd. (中鐵建公路運營有限公司), subsidiaries of the Company, were subject to a preferential corporate income tax rate of 15% in 2023 and 2024. China Railway Construction Investment (Hengqin) Urban Asset Operation Co., Ltd. (中鐵建投(橫琴)城市資產運營有限公司) is eligible for the preferential income tax policy of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and is subject to a preferential corporate income tax rate of 15% in 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries

China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司): (1) China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司) and its subsidiaries China Railway 11th Bureau Group 6th Engineering Co., Ltd. (中鐵十一局集團第六工程有限公司) and China Railway 11th Bureau Group Construction and Development Co., Ltd. (中鐵十一局集團建設發展有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway 11th Bureau Group 1st Engineering Co., Ltd. (中鐵十一局集團第一工程有限公司), China Railway 11th Bureau Group 2nd Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司), China Railway 11th Bureau Group 3rd Engineering Co., Ltd. (中鐵十一局集團第三工程有限公司), China Railway 11th Bureau Group 4th Engineering Co., Ltd. (中鐵十一局集團第四工程有限公司) and China Railway 11th Bureau Group City Rail Engineering Co., Ltd. (中鐵十一局集團城市軌道工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 11th Bureau Group Bridge Engineering Co., Ltd. (中鐵十一局集團橋樑有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) China Railway 11th Bureau Group Electrical Engineering Co., Ltd. (中鐵十一局集團電務工程有限公司), China Railway 11th Bureau Group Hanjiang Heavy Industry Co., Ltd. (中鐵十一局集團漢江重工有限公司) and China Railway Eleventh Bureau Group Construction Installation Engineering Co., Ltd. (中鐵十一局集團建築安裝工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; and (5) China Railway 11th Bureau Group East China Construction Co., Ltd. (中鐵十一局集團華東建設有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 12th Bureau Group Co., Ltd. (中鐵十二局集團有限公司): (1) its subsidiaries China Railway 12th Bureau Group 2nd Engineering Co., Ltd. (中鐵十二局集團第二工程有限公司) and China Railway 12th Bureau Group 3rd Engineering Co., Ltd. (中鐵十二局集團第三工程有限公司) have been recognised as High-tech Enterprises by the Shanxi Science and Technology Department, Department of Finance of Shanxi, and Shanxi Provincial Tax Service, State Taxation Administration since 2024, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 12th Bureau Group 7th Engineering Co., Ltd. (中鐵十二局集團第七工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) China Railway 12th Bureau Group Electrification Engineering Co., Ltd. (中鐵十二局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (4) its subsidiary China Railway 12th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十二局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (5) its subsidiary China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司): (1) China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) and its subsidiary China Railway Construction Bridge Engineering Bureau Group Construction Assembly Technology Co., Ltd. (中鐵建大橋工程局集團建築裝配科技有限公司) have been recognised as High-tech Enterprises by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Jinqiao Engineering Testing Co., Ltd. (中鐵津橋工程檢測有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Bureau, Jilin Province Bureau of Finance, and Jilin Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Modern Survey and Design Institute Co., Ltd. (中鐵現代勘察設計院有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Department, Department of Finance of Jilin Province, and Jilin Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (4) its subsidiary China Railway Bridge Engineering Group Electrification Engineering Co., Ltd. (中鐵建大橋工程局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (5) its subsidiary China Railway Construction Bridge Engineering Bureau Group Jingjiang Heavy Industry Co., Ltd. (中鐵建大橋工程局集團靖江重工有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 14th Bureau Group Co., Ltd. (中鐵十四局集團有限公司): (1) its subsidiaries including China Railway 14th Bureau Group 1st Engineering Development Co., Ltd. (中鐵十四局集團第一工程發展有限公司), China Railway 14th Bureau Group Electrification Engineering Co., Ltd. (中鐵十四局集團電氣化工程有限公司), Tiezheng Testing Technology Co., Ltd. (鐵正檢測科技有限公司) and Shandong Zhengheng New Material Technology Co., Ltd. (山東正珩新材料科技有限責任公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2024, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 14th Bureau Group 3rd Engineering Co., Ltd. (中鐵十四局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiaries including China Railway 14th Bureau Group 4th Engineering Co., Ltd. (中鐵十四局集團第四工程有限公司), Shandong Civil Air Defense Architectural Design Institute Co., Ltd. (山東省人民防空建築設計院有限責任公司), China Railway 14th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十四局集團隧道工程有限公司), China Railway 14th Bureau Group Construction Technology Co. Ltd (中鐵十四局集團建築科技有限公司), China Railway 14th Bureau Construction Engineering Co. Ltd. (中鐵十四局集團建築工程有限公司) and China Railway 14th Bureau Yellow River Construction Technology Co. Ltd. (中鐵十四局集團黃河建築科技有限公司) have been recognised as High-tech Enterprises by Shandong Provincial Science and Technology Department, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary CRCC North-China Construction Technology Co. Ltd. (中鐵建華北建築科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (5) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Co., Ltd. (中鐵十四局集團青島工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) China Railway 14th Bureau Group Housing and Bridge Co., Ltd. (中鐵十四局集團房橋有限公司) has been recognised as a High-tech Enterprise by the Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; and (7) China Railway 14th Bureau Group Shield Tunneling Co., Ltd. (中鐵十四局集團大盾構有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 15th Bureau Group Co., Ltd. (中鐵十五局集團有限公司): (1) its subsidiary China Railway 15th Bureau Group 3rd Engineering Co., Ltd. (中鐵十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary China Railway 15th Bureau Group 5th Engineering Co., Ltd. (中鐵十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; and (3) its subsidiary Henan Sitong Engineering Testing Co., Ltd. (河南四通工程檢測有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Henan Province, Henan Provincial Finance Department, and Henan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司): (1) China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司) and its subsidiary China Railway 16th Bureau Group 1st Engineering Co., Ltd. (中鐵十六局集團第一工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 16th Bureau Group 2nd Engineering Co., Ltd. (中鐵十六局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (3) its subsidiary China Railway 16th Bureau Group 3rd Engineering Co., Ltd. (中鐵十六局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiaries including China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司), China Railway 16th Bureau Group Beijing Metro Engineering Co., Ltd. (中鐵十六局集團北京軌道交通工程建設有限公司) and China Railway 16th Bureau Group Electrification Engineering Co., Ltd. (中鐵十六局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 16th Bureau Group 5th Engineering Co., Ltd. (中鐵十六局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiaries including China Railway 16th Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵十六局集團路橋工程有限公司) and China Railway 16th Bureau Group City Construction Development Co., Ltd. (中鐵十六局集團城市建設發展有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (7) its subsidiary China Railway 16th Bureau Group Railway Transportation Engineering Co., Ltd. (中鐵十六局集團鐵運工程有限公司) has been recognised as a High-tech Enterprise by Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and Guangdong Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司): (1) its subsidiary China Railway 17th Bureau 1st Engineering Co., Ltd. (中鐵十七局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 17th Bureau 3rd Engineering Co., Ltd. (中鐵十七局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 17th Bureau 5th Engineering Co., Ltd. (中鐵十七局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 17th Bureau 6th Engineering Co., Ltd. (中鐵十七局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Xiamen City, Department of Finance of Xiamen City, and Xiamen Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiaries including China Railway 17th Bureau Group Construction Engineering Co., Ltd. (中鐵十七局集團建築工程有限公司) and China Railway 17th Bureau Group Electrification Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway 17th Bureau Municipal Construction Co., Ltd. (中鐵十七局集團市政建設有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (7) its subsidiary China Railway 17th Bureau Group City Construction Development Co., Ltd. (中鐵十七局集團城市建設有限公司) has been recognised as a High-tech Enterprise by Guizhou Provincial Science and Technology Commission, Guizhou Provincial Finance Bureau, and Guizhou Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (8) its subsidiary China Railway 17th Bureau Group (Guangzhou) Construction Co., Ltd. (中鐵十七局集團(廣州)建設有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司): (1) its subsidiary China Railway 18th Bureau Group 1st Engineering Co., Ltd. (中鐵十八局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 18th Bureau Group 2nd Engineering Co., Ltd. (中鐵十八局集團第二工程有限公司) has been recognised as High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 18th Bureau Group 3rd Engineering Co., Ltd. (中鐵十八局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (4) its subsidiary China Railway 18th Bureau Group 4th Engineering Co., Ltd. (中鐵十八局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (5) its subsidiary China Railway 18th Bureau Group 5th Engineering Co., Ltd. (中鐵十八局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (6) its subsidiary China Railway 18th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十八局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司): (1) China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司) and its subsidiaries including China Railway 19th Bureau Group Rail Transit Engineering Co., Ltd. (中鐵十九局集團軌道交通工程有限公司) and China Railway 19th Bureau Group Mining Investment Co., Ltd. (中鐵十九局集團礦業投資有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 19th Bureau Group 1st Engineering Co., Ltd. (中鐵十九局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 19th Bureau Group 3rd Engineering Co., Ltd. (中鐵十九局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (4) its subsidiary China Railway 19th Bureau Group 5th Engineering Co., Ltd. (中鐵十九局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 19th Bureau Group 6th Engineering Co., Ltd. (中鐵十九局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway 19th Bureau Group East China Engineering Co. Ltd. (中鐵十九局集團華東工程有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (7) its subsidiary China Railway 19th Bureau Group Corporation Electric Engineering Co., Ltd. (中鐵十九局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) its subsidiary China Railway 19th Bureau Group Guangzhou Engineering Co., Ltd. (中鐵十九局集團廣州工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司): (1) its subsidiary China Railway Construction Urban Construction Transportation Development Co., Ltd. (中鐵建城建交通發展有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Building and Installing Engineering Design Institute Co., Ltd. (中鐵建安工程設計院有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (3) its subsidiary China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiary China Railway Construction Technology Testing Co. Ltd (中鐵建科檢測有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司): (1) China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 21st Bureau Group Electric and Chemical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (3) its subsidiary Western Railway Construction Engineering Materials Technology Co., Ltd. (西部鐵建工程材料科技有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司): (1) China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司) and its subsidiaries China Railway 22nd Bureau Group Metro Co., Ltd. (中鐵二十二局集團軌道工程有限公司) and China Railway Jingcheng Engineering Testing Co., Ltd. (中鐵京誠工程檢測有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 22nd Bureau Group 1st Engineering Co., Ltd. (中鐵二十二局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiaries China Railway 22nd Bureau Group 2nd Engineering Co., Ltd. (中鐵二十二局集團第二工程有限公司) and China Railway 22nd Bureau Group Electrification Engineering Co., Ltd. (中鐵二十二局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 22nd Bureau Group 4th Engineering Co., Ltd. (中鐵二十二局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary Heilongjiang Tiecheng Engineering Testing Co., Ltd. (黑龍江鐵誠工程檢測有限責任公司) has been recognised as a Hightech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司): (1) its subsidiary China Railway 23rd Bureau Group 1st Engineering Co., Ltd. (中鐵二十三局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 23rd Bureau Group Construction Design Institute Co., Ltd. (中鐵二十三局集團建築設計研究院有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 23rd Bureau Group Electric Engineering Co., Ltd. (中鐵二十三局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science & Technology Commission, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 23rd Bureau Group (Hubei) Blasting Co., Ltd. (中鐵二十三局集團(湖北)爆破有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (6) its subsidiary China Railway 23rd Bureau Group Rail Transit Engineering Co., Ltd. (中鐵二十三局集團軌道交通工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司): (1) its subsidiary China Railway 24th Bureau Group Shanghai Railway Construction Co., Ltd. (中鐵二十四局集團上海鐵建工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiaries including China Railway 24th Bureau Group Shanghai electrification Co., Ltd. (中鐵二十四局集團上海電務電化有限公司) and Shen Tie Fang Yuan Inspection Technology Co., Ltd. (申鐵方圓檢測科技有限公司) have been recognised as High-tech Enterprises by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 24th Bureau Group Jiangsu Construction Co., Ltd. (中鐵二十四局集團江蘇工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Jiangsu Province Finance Bureau, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary Fuzhou Minlong Railway Engineering Corporation Limited (福州閩龍鐵路工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Fujian Province, Fujian Province Finance Bureau, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (5) its subsidiary China Railway 24th Bureau Group Southwest Construction Co., Ltd. (中鐵二十四局集團西南建設有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway 25th Bureau Group Co., Ltd. (中鐵二十五局集團有限公司): (1) its subsidiary China Railway 25th Bureau Group 1st Engineering Co., Ltd. (中鐵二十五局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Guangdong Provincial Science and Technology Department, Guangdong Provincial Department of Finance, and Guangdong Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway 25th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十五局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 25th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 25th Bureau Group 4th Engineering Co., Ltd. (中鐵二十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway 25th Bureau Group 5th Engineering Co., Ltd. (中鐵二十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2024 to 31 December 2026; (6) its subsidiaries including China Railway 25th Bureau Group Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司) and China Railway Construction Dawan District Construction Co., Ltd. (中鐵建大灣區建設有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (7) its subsidiary Liuzhou Railway Engineering Quality Testing Center Co., Ltd. (柳州鐵路工程質量檢測中心有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) Guangzhou Tiecheng Engineering Inspection Co., Ltd. (廣州鐵誠工程質量檢測有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司): (1) China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway Construction Group Infrastructure Construction Co., Ltd. (中鐵建設集團基礎設施建設有限公司), China Railway Construction Group Electromechanical Installation Co., Ltd. (中鐵建設集團機電安裝有限公司) and Beijing CRCC Installation Engineering Co., Ltd. (北京中鐵安裝工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Group South Engineering Co., Ltd. (中鐵建設集團南方工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiaries including Beijing CRCC Decoration Engineering Co., Ltd. (北京中鐵裝飾工程有限公司), China Railway Construction Group Beijing Engineering Co. Ltd. (中鐵建設集團北京工程有限公司), and Beijing China Railway Construction Technology Co., Ltd. (北京中鐵建建築科技有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (5) its subsidiary China Railway Construction Group East China Engineering Co., Ltd. (中鐵建設集團華東工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Group North China Engineering Co. Ltd. (中鐵建設集團華北工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Science and Technology Bureau, Tianjin Municipal Bureau of Finance, and Tianjin Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (7) its subsidiary China Railway Construction Group Central-south China Construction Co., Ltd. (中鐵建設集團中南建設有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (8) its subsidiary China Railway Construction Group Xi'an Engineering Co., Ltd. (中鐵建設集團西安工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shaanxi Province, Department of Finance of Shaanxi Province, and Shaanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (9) its subsidiary China Railway Construction Construction Development (Hainan) Co., Ltd. (中鐵建設建築發展(海南)有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Hainan Province, Department of Finance of Hainan Province, and Hainan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司): (1) China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司) and its subsidiary Beijing CRCC Electrification Design Institute Co., Ltd. (北京中鐵建電氣化設計研究院有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway Construction Electrification Bureau Group 1st Engineering Co., Ltd. (中鐵建電氣化局集團第一工程有限公司) has been recognised as a High-tech Enterprise by the Henan Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Electrification Bureau Group 2nd Engineering Co., Ltd. (中國鐵建電氣化局集團第二工程有限公司) has been recognised as a High-tech Enterprise by the Shanxi Science and Technology Department, Department of Finance of Shanxi Province, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway Construction Electrification Bureau Group 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction Electrification Bureau Group 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Electrification Bureau Group Science and Technology Co., Ltd. (中鐵建電氣化局集團科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (7) its subsidiary China Railway Construction Electrification Bureau Group Metro Engineering Machinery Co., Ltd. (中鐵建電氣化局集團軌道交通器材有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (8) its subsidiary China Railway Construction Electrification Bureau Group Operation Management Co., Ltd. (中鐵建電氣化局集團運營管理有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (9) its subsidiary China Railway Construction Electrification Bureau Group South Engineering Co., Ltd. (中鐵建電氣化局集團南方工程有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (10) its subsidiary China Railway Construction Electrification Bureau Group 4th Engineering Co., Ltd. (中鐵建電氣化局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (11) its subsidiary China Railway Construction Electrification Bureau Group Kang Yuan New Material Co., Ltd. (中鐵建電氣化局集團康遠新材料有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (12) its subsidiary China Railway Construction Electrification Bureau Group North Engineering Co., Ltd. (中鐵建電氣化局集團北方工程有限公司) has been recognised as a High-tech Enterprise by the Shanxi Science and Technology Department, Department of Finance of Shanxi Province, and Shanxi Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026;

CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司): (1) CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (2) its subsidiary CRCC Harbour and Channel Engineering Bureau Group Survey & Design Institute Co., Ltd. (中鐵建港航局集團勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司): (1) China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary China Railway Urban Construction Group 1st Engineering Co., Ltd. (中鐵城建集團第一工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (3) its subsidiary China Railway Urban Construction Group 2nd Engineering Co., Ltd. (中鐵城建集團第二工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (4) its subsidiary China Railway Urban Construction Group 3rd Engineering Co., Ltd. (中鐵城建集團第三工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (5) its subsidiary Beijing Engineering Company Limited of China Railway Urban Construction Group (中鐵城建集團北京工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway Urban Construction Group Nanchang Construction Co., Ltd. (中鐵城建集團南昌建設有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (7) its subsidiaries including China Railway Urban Construction Group Urban Operation Services Co., Ltd. (中鐵城建集團城市運營服務有限公司) and China Railway Urban Construction Group Construction Technology Co., Ltd. (中鐵城建集團建築科技有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司): (1) China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司) and its subsidiary Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd. (鐵四院(湖北)工程監理諮詢有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023 and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Wuhan Railway SIYUAN Engineering Consulting Co., Ltd. (武漢鐵四院工程諮詢有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway SIYUAN Survey and Design Group Nanning Survey and Design Institute Co., Ltd. (中鐵四院集團南寧勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (4) its subsidiary China Railway SIYUAN Survey and Design Group Southwest Survey and Design Institute Co., Ltd. (中鐵四院集團西南勘察設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Yunnan Province, Department of Finance of Yunnan Province, and Yunnan Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (5) its subsidiary China Railway SIYUAN Survey and Design Group New Type Rail Transit Design & Research Co., Ltd. (中鐵四院集團新型軌道交通設計研究有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (6) its subsidiary Haixia (Fujian) Transportation Engineering Design Co., Ltd. (海峽(福建)交通工程設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Fujian Province, Department of Finance of Fujian Province, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (7) its subsidiary China Railway Siyuan Group Guangzhou Designing Institute Co., Ltd. (廣東省鐵路規劃設計研究院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (8) its subsidiary China Railway SIYUAN Survey and Design Group Operation and Maintenance Co., Ltd. (中鐵四院集團工程運維有限責任公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2024 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; and (9) its subsidiary Tiesiyuan Wuhan Testing Technology Co., Ltd. (鐵四院武漢檢測技術有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司): (1) China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司) and its subsidiaries including Beijing Tieyan Construction Supervision Co., Ltd. (北京鐵研建設監理有限責任公司), Beijing China Railway Ecological Environment Design Institute Co., Ltd. (北京中鐵生態環境設計院有限公司), Beijing Railway Fifth Group Engineering Machinery Co., Ltd. (北京鐵五院工程機械有限公司), Beijing Tiecheng GIGNA Engineering Testing Co., Ltd. (北京鐵城檢測認證有限公司) and China Railway Construction Engineering General Contracting (Beijing) Co., Ltd. (中鐵建工程總承包(北京)有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Beijing Tiecheng Engineering Consulting Co., Ltd. (北京鐵城工程諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; and (3) its subsidiary Quzhou Communication Design Co., Ltd. (衢州市交通設計有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司): (1) China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; (2) its subsidiary Shanghai Xianxing Construction Supervision Co., Ltd. (上海先行建設監理有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary Hangzhou Railway Design Institute Co., Ltd. (杭州鐵路設計院有限責任公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary Nanchang Railway Survey and Design Institute Co., Ltd. (南昌鐵路勘測設計院有限責任公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026; and (5) its subsidiary China Railway Shanghai Design Institute Group Hefei Co., Ltd. (中鐵上海設計院集團合肥有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Anhui Province, Anhui Provincial Department of Finance, and Anhui Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司): China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司) and its subsidiary Zhuzhou China Railway Electric Materials Co., Ltd. (株洲中鐵電氣物資有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Civil Engineering Construction Corporation (中國土木工程集團有限公司): its subsidiary China Railway CCECC Fuzhou Survey & Design Institute Co., Ltd. (中土集團福州勘察設計研究院有限公司) has been recognised as a High-tech Enterprise by Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司): its subsidiary Suzhou Traffic Design Research Institute Co., Ltd. (中鐵建蘇州設計研究院有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司): (1) CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Yunnan Province, Yunnan Province Finance Bureau, and Yunnan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary Beijing Ruiweitong Engineering Machinery Co., Ltd. (北京瑞維通工程機械有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司): (1) CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司) and its subsidiary CRCC Cyber Information Technology Co., Ltd. (中鐵建網絡信息科技有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary Chenghe RuiZheng Risk Management Consulting Co., Ltd. (誠合瑞正風險管理諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

Other preferential tax for the Company's subsidiaries (Continued)

China Railway Material Group Co., Ltd. (中鐵物資集團有限公司): its subsidiary Pangu Cloud Chain (Tianjin) Digital Technology Co., Ltd. (盤古雲鏈(天津)數字科技有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Group South China Construction Co., Ltd. (中鐵建華南建設有限公司): its subsidiary China Railway Construction South China Construction (Guangzhou) High Tech Industry Co., Ltd. (中鐵建華南建設(廣州)高科技產業有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Guangdong Province Finance Bureau, and Guangdong Provincial Tax Service, State Taxation Administration since 2024, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2024 to 31 December 2026.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	31 December 2024	31 December 2023
Cash on hand	57,041	66,019
Cash at banks	169,253,199	153,806,061
Other cash and bank balances	11,149,207	8,626,759
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	5,243,668	4,458,998
Total	185,703,115	166,957,837

The restricted cash and bank balances of the Group are stated in Note V. 66.

As at 31 December 2024, the Group held foreign cash and bank balances amounting to RMB15,001,504,000 (31 December 2023: RMB11,280,052,000), certain cash and bank balances deposited in certain countries or regions that were subject to foreign exchange control were not freely convertible into other currencies or remitted out of those countries. As at 31 December 2024, the Group's cash and bank balances denominated in foreign currencies which were deposited in aforesaid countries or regions and subject to foreign exchange control were not freely convertible into other currencies or remitted out represented less than 3% (31 December 2023: less than 3%) of the cash and bank balances in the Group's consolidated statement of financial position.

RMB'000

Item	31 December 2024	31 December 2023
Cash and bank balances at the end of the year	185,703,115	166,957,837
Less: Mandatory reserves placed by CRCC Finance Company Limited with the central bank	5,243,668	4,458,998
Less: Other restricted cash and bank balances	11,116,121	8,601,659
Less: Non-pledged time deposits with original maturity of three months or more when acquired	1,971,706	1,259,403
Cash and cash equivalents at the end of the year	167,371,620	152,637,777

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

RMB'000

Item	31 December 2024	31 December 2023
Equity instruments	500,592	467,563
Others	1,032,524	1,162,222
Total	1,533,116	1,629,785

3. Bills receivable

RMB'000

Item	31 December 2024	31 December 2023
Commercial acceptance bills	2,948,728	2,996,061
Bank acceptance bills	289,620	249,332
Less: Allowance for credit losses	12,904	16,352
Total	3,225,444	3,229,041

As at 31 December 2024, the Group had RMB163,150,000 (31 December 2023: RMB139,522,000) non-matured bills receivable which had right of recourse and had been endorsed to other parties. The Group did not derecognise those bills receivable as the Group considered that all risks and rewards of the ownership had not been transferred from the endorsed bills receivable.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable (Continued)

Bills receivable and allowance for credit losses by category are listed as follows:

RMB'000

Category	31 December 2024				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	3,238,348	100.00	12,904	0.40	3,225,444
Total	3,238,348	100.00	12,904	0.40	3,225,444

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	3,245,393	100.00	16,352	0.50	3,229,041
Total	3,245,393	100.00	16,352	0.50	3,229,041

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables at FVTOCI

RMB'000

Item	31 December 2024	31 December 2023
Bank acceptance bills	1,644,048	2,723,520
Total	1,644,048	2,723,520

As at 31 December 2024, the Group had RMB1,853,970,000 (31 December 2023: RMB2,272,750,000) non-matured bills receivable which had right of recourse and had been discounted or endorsed to other parties. The Group derecognised those bills receivable as the Group considered that all risks and rewards of the ownership had been transferred from the discounted or endorsed bills receivable since there was extremely low risk of the acceptor's inability to cash the bills upon expiry due to the acceptor's good reputation.

5. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Item	31 December 2024	31 December 2023
Within 1 year	162,675,624	116,204,747
1 to 2 years	30,501,327	32,760,675
2 to 3 years	15,896,386	12,597,237
Over 3 years	16,130,548	12,285,145
Subtotal	225,203,885	173,847,804
Less: Allowance for credit losses	20,444,647	18,038,737
Total	204,759,238	155,809,067

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Movements in allowance for credit losses for trade receivables are listed as follows:

RMB'000

Item	2024	2023
Opening balance of the current year	18,038,737	15,215,783
Provision for the year	4,678,954	4,567,847
Less: Reversal for the year	1,642,750	1,337,239
Less: Write-off for the year	7,229	7,926
Others	(623,065)	(399,728)
Closing balance of current year	20,444,647	18,038,737

The movements in detail of allowance for credit losses for the year ended 31 December 2024 are presented in Note VIII. 3.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

Trade receivables and allowance for credit losses by category are listed as follows:

RMB'000

Category	31 December 2024				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)	
Allowance for credit losses assessed individually	32,626,838	14.49	13,311,084	40.80	19,315,754
Allowance for credit losses assessed by credit risk portfolio	192,577,047	85.51	7,133,563	3.70	185,443,484
Total	225,203,885	100.00	20,444,647	9.08	204,759,238

RMB'000

Category	31 December 2023				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)	
Allowance for credit losses assessed individually	30,576,721	17.59	11,834,741	38.71	18,741,980
Allowance for credit losses assessed by credit risk portfolio	143,271,083	82.41	6,203,996	4.33	137,067,087
Total	173,847,804	100.00	18,038,737	10.38	155,809,067

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2024, trade receivables whose allowance for credit losses were assessed individually are listed as follows:

RMB'000

Company name	Gross carrying amount	31 December 2024 Allowance for credit losses	Provision percentage (%)	Reasons
Company 1	830,517	504,696	60.77	Note
Company 2	683,997	282,950	41.37	Note
Company 3	608,084	137,622	22.63	Note
Company 4	600,322	302,658	50.42	Note
Company 5	575,639	386,645	67.17	Note
Others	29,328,279	11,696,513	39.88	—
Total	32,626,838	13,311,084	40.80	—

Note: According to the recoverability of trade receivables, the Group recorded allowance for credit losses.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows:

Portfolio 1:

RMB'000

Aging	31 December 2024			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	104,962,143	83.96	1,182,709	1.13
1 to 2 years	13,376,857	10.70	784,674	5.87
2 to 3 years	4,194,704	3.36	582,672	13.89
Over 3 years	2,481,132	1.98	1,337,064	53.89
Total	125,014,836	100.00	3,887,119	3.11

Portfolio 2:

RMB'000

Aging	31 December 2024			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	14,288,845	83.69	101,332	0.71
1 to 2 years	1,577,813	9.24	87,142	5.52
2 to 3 years	908,805	5.32	102,217	11.25
Over 3 years	297,189	1.75	188,437	63.41
Total	17,072,652	100.00	479,128	2.81

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows: (Continued)

Portfolio 3:

RMB'000

Aging	31 December 2024			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	5,761,427	68.39	49,369	0.86
1 to 2 years	1,179,340	14.00	77,363	6.56
2 to 3 years	943,988	11.21	133,789	14.17
Over 3 years	539,948	6.40	337,087	62.43
Total	8,424,703	100.00	597,608	7.09

Portfolio 4:

RMB'000

Aging	31 December 2024			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	6,386,337	71.36	39,002	0.61
1 to 2 years	2,299,217	25.69	70,815	3.08
2 to 3 years	253,649	2.83	16,779	6.62
Over 3 years	9,831	0.12	3,225	32.80
Total	8,949,034	100.00	129,821	1.45

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows: (Continued)

Portfolio 5:

RMB'000

Aging	31 December 2024			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	25,683,231	77.56	399,318	1.55
1 to 2 years	3,892,322	11.75	310,162	7.97
2 to 3 years	2,191,478	6.62	409,502	18.69
Over 3 years	1,348,791	4.07	920,905	68.28
Total	33,115,822	100.00	2,039,887	6.16

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (Continued)

As at 31 December 2024, top five entities with the largest balances of trade receivables and contract assets are listed as follows:

RMB'000

Company name	Relationship with the Group	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for credit losses on trade receivables and contract assets
Company 1	Third party	1,531,332	1,328,644	2,859,976	0.41	16,530
Company 2	Third party	1,314,824	379,656	1,694,480	0.24	8,472
Company 3	Third party	986,232	172,849	1,159,081	0.17	5,014
Company 4	Third party	971,050	1,294,887	2,265,937	0.32	11,330
Company 5	Third party	898,672	766,638	1,665,310	0.24	12,395
Total	–	5,702,110	3,942,674	9,644,784	1.38	53,741

For the year ended 31 December 2024, the write-off of trade receivables amounted to RMB7,229,000 (for the year ended 31 December 2023: RMB7,926,000).

The restricted trade receivables of the Group are stated in Note V. 66.

For the year ended 31 December 2024, the Group derecognised trade receivables of RMB33,431,290,000 (for the year ended 31 December 2023: RMB93,749,094,000) due to transfer of financial assets and recognised losses from derecognition of financial assets, amounting to RMB1,508,406,000 (for the year ended 31 December 2023: RMB4,724,702,000).

Assets and liabilities recognised due to continuing involvement in the transferred trade receivables:

As at 31 December 2024, the Group recognised assets of RMB794,241,000 and liabilities of RMB794,241,000 (as at 31 December 2023: RMB948,545,000 and RMB948,545,000) related to continuing involvement in transferred trade receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

An aging analysis of advances to suppliers is listed as follows:

RMB'000

Aging	31 December 2024		31 December 2023	
	Gross carrying amount	Percentage (%)	Gross carrying amount	Percentage (%)
Within 1 year	22,722,875	98.33	21,092,189	97.14
1 to 2 years	215,876	0.93	461,006	2.12
2 to 3 years	128,659	0.56	136,313	0.63
Over 3 years	42,624	0.18	23,121	0.11
Total	23,110,034	100.00	21,712,629	100.00

As at 31 December 2024, there were no advances to suppliers with significant balances aged over one year.

As at 31 December 2024, advances to the five largest suppliers are listed as follows:

RMB'000

Company name	Relationship with the Group	Amount	Time for prepayment	Percentage of total advances to suppliers (%)
Company 1	Third party	178,254	Within 1 year	0.77
Company 2	Third party	145,916	Within 1 year	0.63
Company 3	Third party	137,882	Within 1 year	0.60
Company 4	Third party	107,040	Within 1 year	0.46
Company 5	Third party	103,397	Within 1 year	0.45
Total	—	672,489	—	2.91

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	43,082,559	37,507,915
1 to 2 years	12,510,236	9,465,575
2 to 3 years	5,558,155	6,561,547
Over 3 years	11,938,927	9,637,284
Subtotal	73,089,877	63,172,321
Less: Allowance for credit losses	7,264,462	6,269,706
Total	65,825,415	56,902,615

Movements in the allowance for credit losses of other receivables are listed as follows:

RMB'000

Item	2024	2023
Opening balance of the current year	6,269,706	4,941,384
Provision for the year	1,724,349	1,864,167
Less: Reversal for the year	674,790	472,227
Less: Write-off for the year	29,031	54,945
Others	(25,772)	(8,673)
Closing balance of the current year	7,264,462	6,269,706

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (1) As at 31 December 2024, analysis of allowance for credit losses of other receivables at phase I by credit risk portfolio is listed as follows:

RMB'000

Nature	Gross carrying amount	Allowance for credit losses	Provision percentage (%)
Loans for cooperative development project	27,678,567	382,878	1.38
Security deposit and cash pledged	16,205,769	1,001,486	6.18
Advance payments	8,358,063	403,985	4.83
Others	10,197,108	647,959	6.35
Total	62,439,507	2,436,308	3.90

- (2) As at 31 December 2024, analysis of allowance for credit losses of other receivables at phase II is listed as follows:

RMB'000

Category	31 December 2024				Carrying amount
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)	
Allowance for credit losses assessed individually	4,239,926	69.44	976,314	23.03	3,263,612
Allowance for credit losses assessed by credit risk portfolio	1,866,014	30.56	276,750	14.83	1,589,264
Total	6,105,940	100.00	1,253,064	20.52	4,852,876

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (2) As at 31 December 2024, analysis of allowance for credit losses of other receivables at phase II is listed as follows: (Continued)

Allowance for credit losses assessed individually of other receivables are listed as follows:

RMB'000

Company name	31 December 2024			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	2,500,872	560,059	22.39	Note
Company 2	913,244	232,895	25.50	Note
Company 3	825,810	183,360	22.20	Note
Total	4,239,926	976,314	23.03	–

Note: According to the recoverability of other receivables, the Group recorded allowance for credit losses.

As at 31 December 2024, analysis of allowance for credit losses assessed by credit risk portfolio of other receivables at phase II is listed as follows:

RMB'000

Nature	Gross carrying amount	Allowance for credit losses	Proportion %
Security deposit and cash pledged	941,684	151,703	16.11
Advance payments	220,328	31,524	14.31
Others	704,002	93,523	13.28
Total	1,866,014	276,750	14.83

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

- (3) As at 31 December 2024, analysis of allowance for credit losses of other receivables at phase III is listed as follows:

RMB'000

Category	31 December 2024				
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)	Carrying amount
Allowance for credit losses assessed individually	3,113,759	68.52	2,372,083	76.18	741,676
Allowance for credit losses assessed by credit risk portfolio	1,430,671	31.48	1,203,007	84.09	227,664
Total	4,544,430	100.00	3,575,090	78.67	969,340

Allowance for credit losses assessed individually of other receivables is listed as follows:

RMB'000

Company name	31 December 2024			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	599,557	374,376	62.44	Note
Company 2	564,348	86,478	15.32	Note
Company 3	156,167	156,167	100.00	Note
Company 4	150,000	150,000	100.00	Note
Company 5	118,947	118,947	100.00	Note
Others	1,524,740	1,486,115	97.47	—
Total	3,113,759	2,372,083	76.18	—

Note: According to the recoverability of other receivables, the Group recorded allowance for credit losses.

For the year ended 31 December 2024, the write-off of other receivables amounted to RMB29,031,000 (for the year ended 31 December 2023: RMB54,945,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

Gross carrying amount of other receivables categorised by nature is listed as follows:

RMB'000

Nature	31 December 2024	31 December 2023
Loans for cooperative development project	32,518,153	29,566,393
Security deposit and cash pledged	18,690,040	15,831,424
Advance payments	9,272,492	7,136,375
Others	12,609,192	10,638,129
Total	73,089,877	63,172,321

As at 31 December 2024, other receivables from the five largest customers are listed as follows:

RMB'000

Company name	Relationship with the Group	Closing balance	Percentage of total balance of other receivables (%)	Nature	Aging	Allowance for credit losses
Company 1	Joint Venture	2,500,872	3.42	Loans for cooperative development project	Over 5 years	560,059
Company 2	Joint Venture	2,296,318	3.14	Loans for cooperative development project	Within 2 years	1,610
Company 3	Joint Venture	1,830,180	2.50	Loans for cooperative development project	Within 5 years	1,873
Company 4	Associate	1,350,614	1.85	Loans for cooperative development project	Within 4 year	1,351
Company 5	Joint Venture	1,313,942	1.80	Loans for cooperative development project	Over 5 years	70,612
Total	–	9,291,926	12.71	–	–	635,505

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

RMB'000

Item	31 December 2024		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	20,534,538	34,771	20,499,767
Work in progress	5,846,026	20,868	5,825,158
Finished goods	7,693,800	97,062	7,596,738
Turnover materials	14,063,189	99,514	13,963,675
Properties under development (1)	164,973,827	1,435,764	163,538,063
Completed properties held for sale (2)	78,274,644	3,581,687	74,692,957
Total	291,386,024	5,269,666	286,116,358

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	20,759,846	33,381	20,726,465
Work in progress	5,108,554	–	5,108,554
Finished goods	8,436,234	109,436	8,326,798
Turnover materials	13,229,591	99,514	13,130,077
Properties under development (1)	191,963,579	1,274,694	190,688,885
Completed properties held for sale (2)	72,157,755	2,495,742	69,662,013
Total	311,655,559	4,012,767	307,642,792

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

Movements in the provision for decline in value of inventories are listed as follows:

RMB'000

Item	1 January 2024	Additions		Reductions		31 December 2024
		Provision	Others	Reversal	Write-off and Others	
Raw materials	33,381	1,749	–	359	–	34,771
Work in progress	–	20,868	–	–	–	20,868
Finished goods	109,436	12,869	–	2,027	23,216	97,062
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	1,274,694	263,951	4,376	–	107,257	1,435,764
Completed properties held for sale	2,495,742	1,673,867	107,257	–	695,179	3,581,687
Total	4,012,767	1,973,304	111,633	2,386	825,652	5,269,666

RMB'000

Item	1 January 2023	Additions		Reductions		31 December 2023
		Provision		Reversal	Write-off and Others	
Raw materials	34,073	2,554		1,314	1,932	33,381
Finished goods	19,083	97,176		–	6,823	109,436
Turnover materials	99,514	–		–	–	99,514
Properties under development	962,053	318,365		–	5,724	1,274,694
Completed properties held for sale	1,820,430	1,098,833		–	423,521	2,495,742
Total	2,935,153	1,516,928		1,314	438,000	4,012,767

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(1) Details of the properties under development are listed as follows:

RMB'000

Project name	Construction commencement date	Estimated latest completion date	Estimated aggregate investment amount	31 December 2024	31 December 2023
City Throne Project	October 2023	December 2025	7,104,650	6,667,144	3,017,306
Tiejian City Project	February 2022	June 2025	10,613,156	4,637,152	4,297,863
Tianjin Xipai Guoyin Project	October 2018	September 2027	9,092,739	4,148,029	5,305,364
Shanghai Riverside Mansion Project	September 2023	October 2025	4,515,244	3,762,674	6,856,976
New Xidu Project	June 2023	November 2025	4,457,350	3,277,609	2,762,451
Tiejian City (Guiyang) Project	August 2020	June 2025	3,792,080	3,235,432	2,758,690
Chengdu Wuhou City Park Pure Project	November 2023	August 2025	4,351,390	3,103,725	2,689,247
CRCC Chongqing City Park Project	January 2022	June 2026	5,575,299	2,885,886	2,446,014
Chongqing Shanyu Taoyuan Project	June 2022	December 2026	5,088,377	2,875,371	2,987,553
Xingyue Hubin Project	August 2022	April 2025	3,090,650	2,740,772	2,500,163
Hefei Huayu Jiangnan Project	November 2023	June 2025	3,217,120	2,574,280	2,277,865
CRCC South China Headquarters Building Project	October 2022	June 2027	5,504,825	2,508,729	2,345,187
CRCC Taiyuan Huayutang Project	March 2019	June 2025	2,906,519	2,485,689	2,323,965
Xipai Xiyue Project	December 2023	November 2025	3,235,080	2,383,038	921,848
CRCC Xiong'an Tiejian Center Project	May 2022	January 2025	8,670,665	2,266,640	1,992,052
CRCC Yuanshidai Project	November 2022	October 2025	3,701,310	2,248,283	1,893,946
CRCC Guijiao Qinfengyasong Project	October 2023	December 2026	4,044,610	2,244,273	965,294
CRCC Huayu City Project	July 2020	January 2026	3,966,343	2,189,336	2,730,762
Xipai Yiyuan	March 2023	April 2025	2,544,980	2,078,691	1,642,709
Others	–	–	367,593,031	106,661,074	139,248,324
Total	–	–	463,065,418	164,973,827	191,963,579

As at 31 December 2024, the aggregate carrying amount of borrowing costs capitalised in properties under development was RMB14,064,043,000 (31 December 2023: RMB13,646,498,000). Borrowing costs capitalised for the year ended 31 December 2024 amounted to RMB5,222,299,000 (for the year ended 31 December 2023: RMB5,795,870,000). The capitalisation rates of borrowing costs ranged from 2.10%~7.00% (for the year ended 31 December 2023: 2.55%~7.00%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(2) Details of the completed properties held for sale are listed as follows:

RMB'000

Project name	Latest completion date	1 January 2024 Gross carrying amount	Additions	Reductions	31 December 2024 Gross carrying amount
Chengdu Qingyang City Park Junior Project	December 2024	–	3,298,517	–	3,298,517
Wenzhou Lucheng Future Community	November 2024	187,165	7,831,672	5,390,830	2,628,007
Guiyang CRCC International City Project	October 2024	1,726,754	456,432	220,977	1,962,209
CRCC Xipai Yujiang Project	April 2024	2,446,361	70,216	579,632	1,936,945
Tianjin Xipai Guoyin Project	November 2024	1,671,467	1,301,635	1,162,732	1,810,370
Nanjing Huayu Taijingfu Project	December 2024	–	1,791,337	169,462	1,621,875
Xipai Huanhua Project	December 2021	1,695,701	82,386	161,998	1,616,089
Jinyue Mingdi Project	December 2024	–	1,578,938	–	1,578,938
Xipai Chenyue Project	September 2023	1,867,050	–	418,020	1,449,030
Florissa Project	August 2023	1,496,333	–	158,603	1,337,730
CRCC Huayutang Project	December 2024	2,838,740	192,005	1,736,729	1,294,016
CRCC Chongqing Xipai City Project	December 2021	1,234,609	–	39,355	1,195,254
CRCC Haiyu East Coast North Zone Project	December 2024	–	1,306,464	117,050	1,189,414
Qingdao CRCC Plaza Project	December 2023	1,399,577	–	237,373	1,162,204
Wutong Qianshan Project	June 2022	1,131,200	34,963	9,426	1,156,737
CRCC Future City Project	December 2023	1,478,512	–	321,419	1,157,093
Jinan Wutongyuan Project	July 2024	211,640	1,223,188	293,699	1,141,129
Guangzhou Xipai Yuefu Project	December 2024	–	2,117,507	982,989	1,134,518
Chengdu Beihu Xinqu Project	December 2019	1,123,178	4,434	–	1,127,612
CRCC Wutong Garden Project	December 2021	1,273,228	–	149,746	1,123,482
Others	–	50,376,240	54,614,137	57,636,902	47,353,475
Total	–	72,157,755	75,903,831	69,786,942	78,274,644

The restricted inventories of the Group are stated in Note V. 66.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets

Contract assets are from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract term, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is presented as contract asset, and is disclosed in contract assets/other non-current assets based on liquidity. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities.

RMB'000

Item	31 December 2024	31 December 2023
Contract assets	310,952,504	299,830,365
Less: Provision for impairment losses on contract assets	6,202,878	8,048,261
Total	304,749,626	291,782,104

Movements in provision for impairment losses on contract assets are listed as follows:

RMB'000

Item	2024	2023
Opening balance of current year	8,048,261	6,683,222
Provision for the year	1,115,686	1,982,624
Less: Reversal for the year	940,046	617,280
Less: Write-off for the year	2,506,572	—
Others	485,549	(305)
Closing balance of current year	6,202,878	8,048,261

The movements in provision for impairment losses for contract assets for the year ended 31 December 2024 are presented in Note VIII. 3.

The restricted contract assets of the Group are stated in Note V. 66.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

Contract assets and provision for impairment losses for contract assets by category are listed as follows:

RMB'000

Category	Gross carrying amount		31 December 2024 Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	24,426,629	7.86	4,509,706	18.46	19,916,923
Provision for impairment of assets assessed by credit risk portfolio	286,525,875	92.14	1,693,172	0.59	284,832,703
Total	310,952,504	100.00	6,202,878	1.99	304,749,626

RMB'000

Category	Gross carrying amount		31 December 2023 Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	27,544,204	9.19	6,359,023	23.09	21,185,181
Provision for impairment of assets assessed by credit risk portfolio	272,286,161	90.81	1,689,238	0.62	270,596,923
Total	299,830,365	100.00	8,048,261	2.68	291,782,104

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

As at 31 December 2024, contract assets whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount	Percentage (%)
Portfolio 1	246,656,725	1,328,471	0.54
Portfolio 2	13,330,973	78,634	0.59
Portfolio 3	3,853,400	20,428	0.53
Portfolio 4	22,684,777	265,639	1.17
Total	286,525,875	1,693,172	0.59

10. Current portion of non-current assets

RMB'000

	31 December 2024	31 December 2023
Current portion of long-term receivables (Note V, 13)	22,542,952	15,013,463
Current portion of retention receivables (Note V, 25)	9,741,899	7,533,560
Current portion of other debt investments	—	6,963,058
Current portion of debt investments (Note V, 15)	—	21,728
Total	32,284,851	29,531,809

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Other current assets

RMB'000

Item	31 December 2024	31 December 2023
Prepaid taxes and VAT input to be deducted	23,260,649	22,469,099
Reverse repurchase of treasury bonds	4,999,960	2,999,989
Interbank negotiable certificates of deposit	4,968,995	—
Others	1,793,926	1,362,344
Total	35,023,530	26,831,432

12. Loans and advances to customers

RMB'000

Item	31 December 2024	31 December 2023
Loans to customers	1,140,201	1,686,305

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables

RMB'000

Item	31 December 2024		
	Gross carrying amount	Allowance for credit losses	Carrying amount
Long-term project receivables	102,067,402	2,554,178	99,513,224
PPP project receivables	9,312,650	81,856	9,230,794
Primary land development receivables	26,845,072	217,767	26,627,305
Others	30,766,213	1,088,226	29,677,987
Total	168,991,337	3,942,027	165,049,310
Less: Current portion of non-current assets:	22,971,133	428,181	22,542,952
Including: Long-term project receivables	10,136,049	258,458	9,877,591
PPP project receivables	2,533,897	34,438	2,499,459
Primary land development receivables	8,532,608	126,451	8,406,157
Others	1,768,579	8,834	1,759,745
Long-term receivables due after one year	146,020,204	3,513,846	142,506,358

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

RMB'000

Item	Gross carrying amount	31 December 2023 Allowance for credit losses	Carrying amount
Long-term project receivables	67,686,218	2,314,022	65,372,196
PPP project receivables	10,463,336	76,660	10,386,676
Primary land development receivables	20,704,036	106,952	20,597,084
Others	29,521,058	1,004,473	28,516,585
Total	128,374,648	3,502,107	124,872,541
Less: Current portion of non-current assets:	15,216,381	202,918	15,013,463
Including: Long-term project receivables	4,392,424	56,187	4,336,237
PPP project receivables	2,235,505	32,121	2,203,384
Primary land development receivables	3,756,602	19,033	3,737,569
Others	4,831,850	95,577	4,736,273
Long-term receivables due after one year	113,158,267	3,299,189	109,859,078

The Group assesses ECL of long-term receivables on an individual or a collective basis of credit risk characteristics.

RMB'000

Category	Gross carrying amount		31 December 2024 Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Allowance for credit losses assessed individually	5,287,681	3.13	2,255,172	42.65	3,032,509
Allowance for credit losses assessed by credit risk portfolio	163,703,656	96.87	1,686,855	1.03	162,016,801
Total	168,991,337	100.00	3,942,027	2.33	165,049,310

As at 31 December 2024, long-term receivables with significant financing component were presented in accordance with the net amount after discount. The discount rate is 3.65%-4.75% (31 December 2023: 3.65%-5.50%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

As at 31 December 2024, allowance for credit losses assessed individually of long-term receivables is listed as follows:

RMB'000

Company name	31 December 2024			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	1,108,644	346,485	31.25	Note
Company 2	665,736	430,768	64.71	Note
Company 3	294,886	82,155	27.86	Note
Company 4	271,215	56,618	20.88	Note
Company 5	267,497	151,760	56.73	Note
Others	2,679,703	1,187,386	44.31	—
Total	5,287,681	2,255,172	42.65	—

Note: According to the recoverability of receivables, the Group recorded allowance for credit losses.

As at 31 December 2024, long-term receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows:

RMB'000

	Gross carrying amount	Allowance for credit losses	
		Amount	Provision percentage (%)
Portfolio 1	140,028,422	1,398,736	1.00
Portfolio 2	439,694	2,207	0.50
Portfolio 3	15,237,416	116,127	0.76
Portfolio 4	7,998,124	169,785	2.12
Total	163,703,656	1,686,855	1.03

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (Continued)

Movements in the allowance for credit losses of long-term receivables were as follows:

<i>RMB'000</i>		
Item	2024	2023
Opening balance of the current year	3,502,107	2,312,838
Provision for the year	1,000,941	1,360,666
Less: Reversal for the year	319,014	196,799
Others	(242,007)	25,402
Closing balance of the current year	3,942,027	3,502,107

For the year ended 31 December 2024, the Group derecognised long-term receivables with gross carrying amount of RMB4,857,802,000 due to the transfer of financial assets (for the year ended 31 December 2023: RMB9,235,018,000), and has recognised losses on derecognition of RMB251,735,000 (for the year ended 31 December 2023: RMB572,284,000).

Assets and liabilities recognised due to continuing involvement in transferred long-term receivables:

As at 31 December 2024, the Group had assets of RMB144,759,000 and liabilities of RMB144,759,000 (as at 31 December 2023: RMB79,105,000 and RMB79,105,000) related to continuing involvement of transferred long-term receivables in previous years.

The restricted long-term receivables of the Group are stated in Note V. 66

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments

RMB'000

Item		31 December 2024	31 December 2023
Investments in unlisted companies – equity method			
Joint ventures	(1)	64,642,831	64,961,146
Associates	(2)	89,455,979	84,366,419
Less: Provision for impairment of long-term equity investments		114,410	49,208
Total		153,984,400	149,278,357

(1) Investment in joint ventures

31 December 2024:

RMB'000

Investee	Investment cost	1 January 2024	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2024	Provision for impairment at the end of year
Sichuan Chengmian Cangba Expressway Co., Ltd.	4,651,984	4,102,678	549,223	-	(268,780)	-	-	-	4,383,121	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,905,588	-	-	2,724	-	(132,133)	-	3,776,179	-
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	-	3,672,324	-
Chongqing Yuxiang Fuxian Highway Co., Ltd.	3,228,859	2,765,375	463,484	-	-	-	-	-	3,228,859	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,640,066	2,294,605	345,385	-	103,822	-	-	-	2,743,812	-
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	2,599,206	-	-	(361,033)	-	-	-	2,238,173	-
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	1,925,311	1,542,391	382,920	-	-	-	-	-	1,925,311	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,906,432	1,619,750	286,682	-	-	-	-	-	1,906,432	-
Xuchang Municipal Rail Construction Co., Ltd.	1,890,000	1,890,253	-	-	-	-	-	-	1,890,253	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Others	-	38,831,667	5,387,863	(6,176,121)	(417,612)	(3,887)	(445,945)	(34,907)	37,141,058	(49,208)
Total	-	64,911,938	7,415,557	(6,176,121)	(940,879)	(3,887)	(578,078)	(34,907)	64,593,623	(49,208)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(1) Investment in joint ventures (Continued)

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2023	Provision for impairment at the end of year
Sichuan Chengmian Cangba Expressway Co., Ltd.	4,102,761	3,222,913	879,848	-	(83)	-	-	-	4,102,678	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,308,131	653,600	-	76,312	-	(132,455)	-	3,905,588	-
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	-	3,672,324	-
Chongqing Yuxiang Fuxian Highway Co., Ltd.	2,765,375	2,075,000	690,375	-	-	-	-	-	2,765,375	-
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	2,895,367	-	-	(396,161)	-	-	-	2,599,206	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,294,681	1,502,341	792,793	-	(529)	-	-	-	2,294,605	-
Xuchang Municipal Rail Construction Co., Ltd.	1,890,000	-	1,890,000	-	253	-	-	-	1,890,253	-
Guizhou Qianzhong Expressway Development Co., Ltd.	1,701,147	701,147	1,000,000	-	-	-	-	-	1,701,147	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,619,750	1,199,750	420,000	-	-	-	-	-	1,619,750	-
Others	-	35,417,316	5,841,849	(1,709,589)	(506,170)	90,678	(448,066)	(13,107)	38,672,911	(49,208)
Total	-	55,782,390	12,168,465	(1,709,589)	(826,378)	90,678	(580,521)	(13,107)	64,911,938	(49,208)

Note 1: According to the articles of association of Kunming Rail Transit Line 5 Construction & Operation Co., Ltd., the operation policies and investment plans made by the shareholders' meeting and the resolution of the review and approval of board of directors' report shall be subject to all voting rights of shareholders. The Group holds 54.40% shares in Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. and has appointed one director to the board of directors. It can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 2: According to the articles of association of Hohhot Metro Line 2 Construction & Management Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.00% shares in Hohhot Metro Line 2 Construction & Management Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Investment in associates

31 December 2024:

RMB'000

Investee	Investment cost	1 January 2024	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2024	Provision for impairment at the end of year
CRCC-Tongguan Investment Co., Ltd.	1,472,466	2,810,499	100	-	442,753	69,576	-	-	3,322,928	-
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	3,163,512	-	-	191,270	-	-	(86,825)	3,267,957	-
Hangu Railway Co., Ltd.	2,825,195	2,588,863	236,000	-	-	-	-	-	2,824,863	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	152,291	-	(152,291)	-	2,463,800	-
CRCC Ningxia Highway Co. Ltd.	2,091,605	2,069,847	21,732	-	(27,838)	-	-	-	2,063,741	-
Shanghai Wanjianglong Real Estate Co., Ltd.	1,862,000	1,860,140	-	-	(13,988)	-	-	-	1,846,152	-
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	1,815,074	1,539,780	275,294	-	-	-	-	-	1,815,074	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,881,227	-	-	(88,404)	-	-	-	1,792,823	-
Kunming Sangqing Highway Co., Ltd.	1,708,750	956,002	752,750	-	-	-	-	-	1,708,752	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,410,000	1,605,490	-	-	16,226	-	-	-	1,621,716	-
Others	-	63,427,259	8,904,692	(5,168,749)	(111,585)	(3,961)	(304,305)	(80,380)	66,662,971	(65,202)
Total	-	84,366,419	10,190,568	(5,168,749)	560,725	65,615	(456,596)	(167,205)	89,390,777	(65,202)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (Continued)

(2) Investment in associates (Continued)

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2023	Provision for impairment at the end of year
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,943,766	-	-	211,292	-	-	8,454	3,163,512	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	2,240,108	-	-	462,756	107,635	-	-	2,810,499	-
Hangqu Railway Co., Ltd.	2,589,195	2,226,863	362,000	-	-	-	-	-	2,588,863	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	144,929	-	(144,929)	-	2,463,800	-
CRCC Ningxia Highway Co. Ltd.	2,069,873	1,647,237	422,610	-	-	-	-	-	2,069,847	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,975,223	-	-	(93,996)	-	-	-	1,881,227	-
Shanghai Wanjianglong Real Estate Co., Ltd.	1,862,000	-	1,862,000	-	(1,860)	-	-	-	1,860,140	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	1,727,004	-	-	(84,196)	-	-	-	1,642,808	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,410,000	779,726	740,527	-	85,237	-	-	-	1,605,490	-
Ningxia Inter-City Railway Co., Ltd.	1,589,200	1,701,025	-	(111,825)	72,180	-	(72,180)	-	1,589,200	-
Others	-	54,498,096	10,857,535	(2,712,908)	595,023	(5,470)	(513,855)	(27,388)	62,691,033	-
Total	-	72,202,848	14,244,672	(2,824,733)	1,391,365	102,165	(730,964)	(18,934)	84,366,419	-

Note 1: According to the articles of association of CRCC Financial Leasing Co., Ltd., the decisions of amending the company's articles of association, increasing the registered capital, resolutions of the company merger, division, dissolution, changing the company form, scope of operations, issuing of corporate bonds and selecting the directors shall be subject to more than two-thirds of voting rights of shareholders. Others shall be subject to more than half of voting rights of shareholders. As the Group holds 50.00% shares in CRCC Financial Leasing Co., Ltd., it can neither control nor jointly control the entity with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments

RMB'000

Item	31 December 2024		
	Gross carrying amount	Allowance for credit losses	Carrying amount
Long-term loans receivable	7,037,400	3,155,825	3,881,575
Total	7,037,400	3,155,825	3,881,575
Debt investments due after one year	7,037,400	3,155,825	3,881,575

RMB'000

Item	31 December 2023		
	Gross carrying amount	Allowance for credit losses	Carrying amount
Long-term loans receivable	7,880,938	1,843,034	6,037,904
Total	7,880,938	1,843,034	6,037,904
Less: Current portion of debt investments (<i>Note V, 10</i>)	21,837	109	21,728
Debt investments due after one year	7,859,101	1,842,925	6,016,176

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (Continued)

Changes in allowance for credit losses of debt investments are as follows:

RMB'000

Item	2024	2023
Opening balance of the current year	1,843,034	1,166,128
Provided for the year	1,324,614	694,184
Less: Reversals for the year	11,823	12,389
Less: Written-off for the year	—	40
Others	—	(4,849)
Closing balance of the current year	3,155,825	1,843,034

Debt investments and allowance for credit losses by category are listed as follows:

RMB'000

Category	31 December 2024				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Allowance for credit losses assessed individually	4,735,274	67.29	3,147,464	66.47	1,587,810
Allowance for credit losses assessed by credit risk portfolio	2,302,126	32.71	8,361	0.36	2,293,765
Total	7,037,400	100.00	3,155,825	44.84	3,881,575

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (Continued)

Debt investments and allowance for credit losses by category are listed as follows:
(Continued)

RMB'000

Category	31 December 2023		31 December 2023		Carrying amount
	Gross carrying amount	Allowance for credit losses	Provision	percentage	
	Amount	Percentage (%)	Amount	percentage (%)	
Allowance for credit losses assessed individually	4,341,914	55.09	1,823,855	42.01	2,518,059
Allowance for credit losses assessed by credit risk portfolio	3,539,024	44.91	19,179	0.54	3,519,845
Total	7,880,938	100.00	1,843,034	23.39	6,037,904

In 2024, debt investments actually written-off are amounted to Nil (2023: RMB40,000).

As at 31 December 2024, the Group's significant debt investments are as follows:

A subsidiary of the Group had entered into an interest borne loan agreement with a real estate industry customer, and recognised debt investment with gross carrying amount of RMB2,927,357,000 (31 December 2023: RMB2,927,357,000). Due to the debt default of this customer, the subsidiary recognised impairment through default exposure and the life-time expected credit loss rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other non-current financial assets

RMB'000

Item	31 December 2024	31 December 2023
Investments in unlisted fund product	8,141,913	6,191,649
Equity investments in listed companies	177,252	169,604
Others	3,056,957	3,925,896
Total	11,376,122	10,287,149

17. Other equity instrument investments

RMB'000

Item	31 December 2024	31 December 2023
Equity investments in listed companies	1,722,181	1,974,362
Equity investments in unlisted companies	11,445,616	10,601,209
Total	13,167,797	12,575,571

2024:

RMB'000

Item	Changes for the year						Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
	1 January 2024	Increase of investment	Decrease of investment	Changes in fair value	Others	31 December 2024		
Other equity instrument investments	12,575,571	1,077,246	(1,259,609)	774,148	441	13,167,797	153,800	948,660

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Other equity instrument investments (Continued)

2023:

RMB'000

Item	1 January 2023	Changes for the year				31 December 2023	Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
		Increase of investment	Decrease of investment	Changes in fair value	Others			
Other equity instrument investments	11,940,051	1,172,272	(445,453)	(91,554)	255	12,575,571	116,607	509,306

As at 31 December 2024, a portion of other equity instrument investments held by the Group has been derecognised due to disposal. Accumulated gains transferred to retained earnings due to derecognition are amounted to RMB242,070,000 (31 December 2023: RMB57,749,000).

As at 31 December 2024, the Group's listed companies' equity instrument investments designated as those at FVTOCI are as follows:

RMB'000

Item	31 December 2024	31 December 2023	Reasons for designated at FVTOCI
Times Electric (688187)	469,616	356,034	Long-term equity investments for strategic purposes
Bank of Communications (601328)	311,338	231,468	Long-term equity investments for strategic purposes
Tongling Nonferrous (000630)	243,026	246,788	Long-term equity investments for strategic purposes
SDIC Capital (600061)	167,925	624,852	Long-term equity investments for strategic purposes
Others	530,276	515,220	Long-term equity investments for strategic purposes
Total	1,722,181	1,974,362	

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties

Subsequent measurement under cost method

2024:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2024	13,465,433	13,465,433
Increase	5,948,134	5,948,134
Additions	282,593	282,593
Transferred in from inventories	3,801,859	3,801,859
Transferred in from fixed assets	1,863,682	1,863,682
Decrease	980,525	980,525
Disposal	856,981	856,981
Transferred out to fixed assets	113,501	113,501
Other decreases	10,043	10,043
31 December 2024	18,433,042	18,433,042
II. Accumulated depreciation and amortisation		
1 January 2024	1,839,363	1,839,363
Increase	417,910	417,910
Provision	364,200	364,200
Transferred in from fixed assets	52,728	52,728
Other increases	982	982
Decrease	32,334	32,334
Disposal	14,479	14,479
Transferred out to fixed assets	17,855	17,855
31 December 2024	2,224,939	2,224,939

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2024: (Continued)

RMB'000

	Buildings and land use right	Total
III. Provision for impairment		
1 January 2024	226,624	226,624
Increase	2,581	2,581
Provision	1,999	1,999
Other increases	582	582
Decrease	2,935	2,935
Disposal	2,935	2,935
31 December 2024	226,270	226,270
IV. Carrying amount		
Closing balance	15,981,833	15,981,833
Opening balance	11,399,446	11,399,446

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2023:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2023	11,759,746	11,759,746
Increase	2,405,017	2,405,017
Additions	598,659	598,659
Transferred in from inventories	1,589,591	1,589,591
Transferred in from fixed assets	110,320	110,320
Transferred in from construction in progress	22,832	22,832
Transferred in from intangible assets	83,615	83,615
Decrease	699,330	699,330
Disposal	632,235	632,235
Other decreases	67,095	67,095
31 December 2023	13,465,433	13,465,433
II. Accumulated depreciation and amortisation		
1 January 2023	1,574,348	1,574,348
Increase	379,832	379,832
Provision	327,347	327,347
Transferred in from fixed assets	35,828	35,828
Transferred in from intangible assets	16,657	16,657
Decrease	114,817	114,817
Disposal	97,485	97,485
Other decreases	17,332	17,332
31 December 2023	1,839,363	1,839,363

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties (Continued)

Subsequent measurement under cost method (Continued)

2023: (Continued)

RMB'000

	Buildings and land use right	Total
III. Provision for impairment		
1 January 2023	287,056	287,056
Increase	28,548	28,548
Provision	18,609	18,609
Other increases	9,939	9,939
Decrease	88,980	88,980
Disposal	88,980	88,980
31 December 2023	226,624	226,624
IV. Carrying amount		
Closing balance	11,399,446	11,399,446
Opening balance	9,898,342	9,898,342

As at 31 December 2024, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB2,163,912,000 (31 December 2023: RMB32,134,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 31 December 2024.

The restricted investment properties of the Group are stated in Note V. 66.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets

2024:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2024	33,501,341	53,654,595	16,746,401	74,270,557	178,172,894
Increase	3,222,081	6,134,052	1,144,020	13,130,766	23,630,919
Additions	922,025	3,220,082	1,094,907	11,599,950	16,836,964
Transferred in from construction in progress	2,157,939	2,675,122	33,975	1,501,418	6,368,454
Transferred in from investment properties	113,501	–	–	–	113,501
Transferred in from right-of-use assets	–	184,569	–	–	184,569
Other increases	28,616	54,279	15,138	29,398	127,431
Decrease	2,701,557	5,890,885	1,293,712	7,058,750	16,944,904
Disposal or retirement	224,437	3,965,624	1,089,276	6,626,136	11,905,473
Disposal of subsidiaries	123,906	–	2,590	281,969	408,465
Transferred out to construction in progress	389,466	1,401,661	–	–	1,791,127
Transferred out to investment properties	1,863,682	–	–	–	1,863,682
Other decreases	100,066	523,600	201,846	150,645	976,157
31 December 2024	34,021,865	53,897,762	16,596,709	80,342,573	184,858,909
II. Accumulated depreciation					
1 January 2024	7,631,423	31,501,806	13,077,687	52,471,503	104,682,419
Increase	1,030,531	4,415,807	1,402,593	11,811,820	18,660,751
Provision	993,904	4,367,700	1,402,569	11,800,697	18,564,870
Transferred in from investment properties	17,855	–	–	–	17,855
Other increases	18,772	48,107	24	11,123	78,026
Decrease	230,234	3,904,323	1,157,954	6,517,841	11,810,352
Disposal or retirement	95,193	3,126,167	1,020,623	6,212,001	10,453,984
Disposal of subsidiaries	34,663	–	2,460	216,931	254,054
Transferred out to construction in progress	45,742	410,464	–	–	456,206
Transferred out to investment properties	52,728	–	–	–	52,728
Other decreases	1,908	367,692	134,871	88,909	593,380
31 December 2024	8,431,720	32,013,290	13,322,326	57,765,482	111,532,818

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (Continued)

2024: (Continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2024	92,810	103,846	725	23,608	220,989
Provision	77,990	–	–	50	78,040
Other increases	4,387	–	–	–	4,387
Disposal or retirement	537	5,255	–	–	5,792
31 December 2024	174,650	98,591	725	23,658	297,624
IV. Carrying amount					
31 December 2024	25,415,495	21,785,881	3,273,658	22,553,433	73,028,467
1 January 2024	25,777,108	22,048,943	3,667,989	21,775,446	73,269,486

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (Continued)

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
Increase	4,791,180	5,524,467	1,482,579	15,812,453	27,610,679
Additions	697,211	4,742,578	1,395,551	13,512,736	20,348,076
Transferred in from construction in progress	4,046,226	693,512	82,724	2,297,200	7,119,662
Transferred in from right-of-use assets	–	88,377	–	–	88,377
Other increases	47,743	–	4,304	2,517	54,564
Decrease	307,085	5,785,412	1,359,201	8,114,153	15,565,851
Disposal or retirement	196,765	3,801,977	866,597	7,976,103	12,841,442
Transferred out to construction in progress	–	1,117,430	–	–	1,117,430
Transferred out to investment properties	110,320	–	–	–	110,320
Other decreases	–	866,005	492,604	138,050	1,496,659
31 December 2023	33,501,341	53,654,595	16,746,401	74,270,557	178,172,894
II. Accumulated depreciation					
1 January 2023	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259
Increase	1,060,222	3,669,020	1,431,926	11,011,602	17,172,770
Provision	1,052,423	3,669,020	1,428,098	11,011,090	17,160,631
Other increases	7,799	–	3,828	512	12,139
Decrease	209,575	4,360,297	1,136,030	6,640,708	12,346,610
Disposal or retirement	173,747	3,016,717	772,767	6,580,424	10,543,655
Transferred out to construction in progress	–	691,014	–	–	691,014
Transferred out to investment properties	35,828	–	–	–	35,828
Other decreases	–	652,566	363,263	60,284	1,076,113
31 December 2023	7,631,423	31,501,806	13,077,687	52,471,503	104,682,419

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (Continued)

2023: (Continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2023	90,131	71,544	725	23,608	186,008
Provision	8,430	53,147	–	–	61,577
Disposal or retirement	4,968	20,845	–	–	25,813
Other decreases	783	–	–	–	783
31 December 2023	92,810	103,846	725	23,608	220,989
IV. Carrying amount					
31 December 2023	25,777,108	22,048,943	3,667,989	21,775,446	73,269,486
1 January 2023	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799

The restricted fixed assets of the Group are stated in Note V. 66.

As at 31 December 2024, the Group had no significant fixed assets that were temporarily idle (31 December 2023: Nil).

As at 31 December 2024, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB3,187,055,000 (31 December 2023: RMB1,738,325,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 31 December 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress

RMB'000

Item	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
CRCC South China Headquarters Building Project	995,298	–	995,298	945,150	–	945,150
Tiejian Jinshun Plaza	441,793	–	441,793	–	–	–
CRCC Port and Shipping project	326,116	–	326,116	203,192	–	203,192
China Railway Construction Yuhu Phase II	320,138	–	320,138	96,274	–	96,274
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project (Original name: Jingjiang Bridge Science and Technology Industrial Park)	293,442	–	293,442	226,214	–	226,214
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	284,806	–	284,806	133,484	–	133,484
CRCC Construction Industry Oriented AI Infrastructure Construction Project	279,130	–	279,130	208	–	208
East China Headquarters Office Building	272,248	–	272,248	–	–	–
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	207,834	–	207,834	135,754	–	135,754
Shentie Financial Technology Building Office Building	186,592	–	186,592	–	–	–
Others	3,215,029	9,563	3,205,466	4,080,002	9,563	4,070,439
Total	6,822,426	9,563	6,812,863	5,820,278	9,563	5,810,715

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

2024:

RMB'000

Item	Budget	1 January 2024	Additions	Transfer out	Others	31 December 2024	Source of funds	Proportion of investment to budget (%)
CRCC South China Headquarters Building Project	2,104,200	945,150	50,148	-	-	995,298	Self-funding/loan	47
Tiejian Jinshun Plaza	686,925	-	441,793	-	-	441,793	Loan	64
CRCC Port and Shipping project	764,240	203,192	122,924	-	-	326,116	Self-funding/loan	43
China Railway Construction Yuhu Phase II	729,000	96,274	223,864	-	-	320,138	Self-funding	44
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project (Original name: Jingjiang Bridge Science and Technology Industrial Park)	521,945	226,214	141,785	74,557	-	293,442	Self-funding/loan	56
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	133,484	151,322	-	-	284,806	Self-funding/loan	58
CRCC Construction Industry Oriented AI Infrastructure Construction Project	400,000	208	278,922	-	-	279,130	Self-funding	70
East China Headquarters Office Building	600,000	-	272,248	-	-	272,248	Self-funding	45
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	135,754	72,080	-	-	207,834	Self-funding/loan	48
Shentie Financial Technology Building Office Building	204,701	-	186,592	-	-	186,592	Self-funding	91
Others	-	4,080,002	5,602,963	6,396,471	(71,465)	3,215,029	Self-funding/loan	-
Total	-	5,820,278	7,544,641	6,471,028	(71,465)	6,822,426	-	-
Less: Provision for impairment	-	9,563	-	-	-	9,563	-	-
Net value at the end of the year	-	5,810,715	7,544,641	6,471,028	(71,465)	6,812,863	-	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

2023:

RMB'000

Item	Budget	1 January 2023	Additions	Transfer out	Others	31 December 2023	Source of funds	Proportion of investment to budget (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	1,431,217	1,112,895	142,586	–	–	1,255,481	Self-funding/ loan	88
CRCC South China Headquarters Building Project	2,104,200	836,141	109,009	–	–	945,150	Self-funding/ loan	45
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project (Original name: Jingjiang Bridge Science and Technology Industrial Park)	596,502	105,457	120,757	–	–	226,214	Self-funding/ loan	38
CRCC Port and Shipping Project	744,510	30,318	172,874	–	–	203,192	Self-funding/ loan	27
Shield Machine Remanufacturing Project of CRCC Bridge Engineering Bureau Group 2nd Engineering Co., Ltd.	142,925	–	139,649	–	–	139,649	Self-funding	98
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	1,627	134,127	–	–	135,754	Self-funding	31
Headquarter Buildings in Addis Ababa Ethiopia	154,475	81,363	54,064	–	–	135,427	Self-funding	88
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	–	133,484	–	–	133,484	Self-funding	27
New Industry Manufacturing Changsha Base Phase I Project	499,200	14,487	100,688	–	–	115,175	Self-funding	23
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	151,748	67,194	44,018	–	–	111,212	Self-funding	73
Others	–	5,353,252	4,429,322	7,273,258	(89,776)	2,419,540	Self-funding/ loan	–
Total	–	7,602,734	5,580,578	7,273,258	(89,776)	5,820,278	–	–
Less: Provision for impairment	–	9,563	–	–	–	9,563	–	–
Net value at the end of the year	–	7,593,171	5,580,578	7,273,258	(89,776)	5,810,715	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

For the year ended 31 December 2024, construction in progress with a carrying amount of RMB6,368,454,000 (2023: RMB7,119,662,000) and RMB102,574,000 (2023: RMB130,764,000) had been transferred to fixed assets and intangible assets respectively, and no construction in progress had been transferred to investment properties (2023: RMB22,832,000).

The restricted construction in progress of the Group is stated in Note V. 66.

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows:

2024:

RMB'000

Item	Progress as at 31 December 2024 (%)	Capitalised amount of borrowing costs as at 31 December 2024	Interest capitalised during the year	Capitalisation rate during the year (%)
CRCC South China Headquarters Building Project	47	57,098	25,750	3.10
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project (Original name: Jingjiang Bridge Science and Technology Industrial Park)	56	18,748	1,698	3.26
CRCC Port and Shipping Project	43	5,117	3,337	3.35
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	48	4,694	4,694	2.67
CRCC Jinshun Plaza	64	40,768	—	—
Others	—	65,148	15,611	—
Total	—	191,573	51,090	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023	Interest capitalised during the year	Capitalisation rate during the year (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	88	33,994	15,089	3.86
CRCC South China Headquarters Building Project	45	31,348	19,203	3.38
CRCC Port and Shipping Project	27	1,780	1,780	3.70
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project (Original name: Jingjiang Bridge Science and Technology Industrial Park)	38	17,050	17,050	3.99
Others	–	21,171	174,208	–
Total	–	105,343	227,330	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets

For the year ended 31 December 2024:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2024	5,980,669	5,267,309	679,943	359,658	12,287,579
Additions	1,524,085	1,848,470	266,072	193,702	3,832,329
Disposal or retirement	1,264,083	929,369	92,512	54,384	2,340,348
31 December 2024	6,240,671	6,186,410	853,503	498,976	13,779,560
II. Accumulated depreciation					
1 January 2024	2,440,464	2,113,773	472,115	120,527	5,146,879
Provision	1,158,716	1,241,654	163,385	112,749	2,676,504
Disposal or retirement	713,020	705,349	85,617	44,315	1,548,301
31 December 2024	2,886,160	2,650,078	549,883	188,961	6,275,082
III. Carrying amount					
Closing balance	3,354,511	3,536,332	303,620	310,015	7,504,478
Opening balance	3,540,205	3,153,536	207,828	239,131	7,140,700

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets (Continued)

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	4,103,363	5,088,933	601,419	216,527	10,010,242
Additions	2,655,103	1,613,744	122,537	175,850	4,567,234
Disposal or retirement	777,797	1,435,368	44,013	32,719	2,289,897
31 December 2023	5,980,669	5,267,309	679,943	359,658	12,287,579
II. Accumulated depreciation					
1 January 2023	1,840,661	2,563,660	375,573	75,991	4,855,885
Provision	1,091,130	916,195	140,060	74,607	2,221,992
Disposal or retirement	491,327	1,366,082	43,518	30,071	1,930,998
31 December 2023	2,440,464	2,113,773	472,115	120,527	5,146,879
III. Carrying amount					
Closing balance	3,540,205	3,153,536	207,828	239,131	7,140,700
Opening balance	2,262,702	2,525,273	225,846	140,536	5,154,357

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets

2024:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2024	9,295,728	66,832,816	1,739,925	2,121,434	79,989,903
Increase	538,219	48,979,251	388,829	87,629	49,993,928
Additions	493,246	15,539,223	297,802	87,629	16,417,900
Acquisition of subsidiaries (Note)	32,825	33,440,028	601	–	33,473,454
Transferred in from construction in progress	12,148	–	90,426	–	102,574
Decrease	324,533	231,499	119,163	44,602	719,797
Disposal or retirement	322,944	–	109,860	8,221	441,025
Disposal of subsidiaries	–	–	9,303	–	9,303
Other decreases	1,589	231,499	–	36,381	269,469
31 December 2024	9,509,414	115,580,568	2,009,591	2,164,461	129,264,034
II. Accumulated amortisation					
1 January 2024	2,111,903	4,781,866	1,097,309	838,732	8,829,810
Increase	228,497	1,409,267	286,735	95,777	2,020,276
Provision	228,497	1,409,267	286,735	95,777	2,020,276
Decrease	52,037	56,418	92,721	25,710	226,886
Disposal or retirement	51,659	–	89,165	8,099	148,923
Disposal of subsidiaries	–	–	3,556	–	3,556
Other decreases	378	56,418	–	17,611	74,407
31 December 2024	2,288,363	6,134,715	1,291,323	908,799	10,623,200

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

2024: (Continued)

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
III. Provision for impairment					
1 January 2024	9,043	1,060,130	–	354,462	1,423,635
Provision	–	228,905	–	–	228,905
Other decreases	–	–	–	14,095	14,095
31 December 2024	9,043	1,289,035	–	340,367	1,638,445
IV. Carrying amount					
Closing balance	7,212,008	108,156,818	718,268	915,295	117,002,389
Opening balance	7,174,782	60,990,820	642,616	928,240	69,736,458

Note: For the year ended 31 December 2024, the Group's business combinations not involving enterprises under common control and acquisitions of subsidiaries resulted in an increase in concession rights by RMB33,440,028,000, which mainly included the Guizhou Wudang (Yangchang) to Changshun Highway, the Qianjiang District Transit Highway (Yuxiang Highway Liaison Route), Guizhou Jianhe to Liping Highway and Langzhong to Yingshan Highway, etc.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

2023:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2023	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
Increase	374,991	7,910,560	413,177	447,675	9,146,403
Additions	374,991	7,640,909	282,377	447,675	8,745,952
Acquisition of subsidiaries	–	186,319	36	–	186,355
Transferred in from construction in progress	–	–	130,764	–	130,764
Other increases	–	83,332	–	–	83,332
Decrease	247,616	–	61,726	48,554	357,896
Disposal or retirement	164,001	–	61,726	48,554	274,281
Other decreases	83,615	–	–	–	83,615
31 December 2023	9,295,728	66,832,816	1,739,925	2,121,434	79,989,903
II. Accumulated amortisation					
1 January 2023	1,947,968	3,766,111	891,867	753,532	7,359,478
Increase	233,887	1,015,755	253,790	110,414	1,613,846
Provision	233,887	997,898	253,790	110,414	1,595,989
Other increases	–	17,857	–	–	17,857
Decrease	69,952	–	48,348	25,214	143,514
Disposal or retirement	53,295	–	48,348	25,214	126,857
Other decreases	16,657	–	–	–	16,657
31 December 2023	2,111,903	4,781,866	1,097,309	838,732	8,829,810

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

2023: (Continued)

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
III. Provision for impairment					
1 January 2023	9,043	1,060,130	–	242,003	1,311,176
Provision	–	–	–	112,459	112,459
31 December 2023	9,043	1,060,130	–	354,462	1,423,635
IV. Carrying amount					
Closing balance	7,174,782	60,990,820	642,616	928,240	69,736,458
Opening balance	7,211,342	54,096,015	496,607	726,778	62,530,742

As at 31 December 2024, intangible assets recognised through internal research and development account for 0.02% of the closing balance of intangible assets (31 December 2023: 0.06%).

The restricted intangible assets of the Group are stated in Note V. 66.

As at 31 December 2024, the Group was in the process of applying for the title certificates of certain parcels of its land with an aggregate carrying amount of RMB304,280,000 (31 December 2023: RMB60,675,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such land, and also of the opinion that the matter did not have any significant adverse impact on the Group's financial position as at 31 December 2024.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows:

2024:

RMB'000

Item	Progress as at 31 December 2024 (%)	Capitalised amount of borrowing costs as at 31 December 2024 (Note)	Interest capitalised during the year/ from the acquisition date to the year-end period	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,119,018	—	—
Guizhou Jianhe to Liping Highway Project concession rights	96	639,771	100,797	3.40
Guizhou Wudang (Yangchang) to Changshun Highway Project concession rights	74	549,413	335,509	3.51
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	482,712	—	—
Guangxi Nanyuzhu Highway Yuheng Section concession rights	96	277,025	127,902	2.96
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	100	225,040	—	—
Guizhou Anshun to Ziyun Highway Project concession rights	100	154,136	—	—
Henan Lanyuan Expressway Project concession rights	100	138,420	—	—
Xuanwei Beipan River Basin Water Environment Comprehensive Treatment PPP Project concession rights	95	115,898	34,457	4.23
Others	—	591,166	139,630	—
Total	—	4,292,599	738,295	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023 (Note)	Interest capitalised during the year	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,125,187	–	–
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	483,987	–	–
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	99	225,682	108,134	3.45
Guizhou Anshun to Ziyun Highway Project concession rights	100	154,716	–	–
Guangxi Nanyuzhu Highway Yuheng Section concession rights	72	149,123	122,892	3.08
Henan Lanyuan Expressway Project concession rights	98	138,706	13,146	3.64
Yusui Highway Project concession rights	100	77,570	–	–
Chongqing rail transit Jiangtiao Line construction project concession rights	100	57,368	–	–
Beijing New Airport North Line Highway project	100	56,192	–	–
Others	–	211,087	67,537	–
Total	–	2,679,618	311,709	–

Note: It is accumulated during the construction of the concession rights and will be amortised according to the expected realisation of the economic benefits of the project during its operation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill

2024:

Original costs

RMB'000

Item	1 January 2024	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2024
Acquisition of ALDESA Company (Note 1)	422,833	–	–	(22,487)	400,346
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	557,330	–	–	(22,487)	534,843

Provision for impairment

RMB'000

Item	1 January 2024	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2024
Acquisition of ALDESA Company (Note 1)	422,833	–	–	(22,487)	400,346
Acquisition of CIDEON Company (Note 2)	78,880	–	–	–	78,880
Others	–	5,855	–	–	5,855
Total	501,713	5,855	–	(22,487)	485,081

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill (Continued)

2024: (Continued)

Net value of goodwill

RMB'000

Item	1 January 2024	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2024
Acquisition of ALDESA Company (Note 1)	–	–	–	–	–
Acquisition of CIDEON Company (Note 2)	12,489	–	–	–	12,489
Others	43,128	–	5,855	–	37,273
Total	55,617	–	5,855	–	49,762

2023:

Original costs

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	399,073	–	–	23,760	422,833
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	533,570	–	–	23,760	557,330

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill (Continued)

2023: (Continued)

Provision for impairment

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	313,378	91,036	–	18,419	422,833
Acquisition of CIDEON Company (Note 2)	56,674	22,206	–	–	78,880
Total	370,052	113,242	–	18,419	501,713

Net value of goodwill

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	85,695	–	91,036	5,341	–
Acquisition of CIDEON Company (Note 2)	34,695	–	22,206	–	12,489
Others	43,128	–	–	–	43,128
Total	163,518	–	113,242	5,341	55,617

Note 1: The goodwill of EUR54,670,000 was acquired in the business combination involving entities not under common control of GRUPO ALDESA, S. A. ("ALDESA Company") on 8 May 2020. As of 31 December 2024, the Group recognised accumulated impairment of the goodwill of EUR54,670,000.

Note 2: On 29 February 2016, the Group purchased CIDEON Engineering GmbH&Co. KG, CIDEON Engineering Verwaltungs GmbH and CIDEON Schweiz AG (collectively referred to as "CIDEON Company"), which is a business combination involving entities not under common control and resulted in the increase in goodwill by EUR11,710,000. As at 31 December 2024, the Group recognised accumulated impairment of the goodwill of EUR10,040,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities

RMB'000

Item	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for long-term post-leaving benefits	75,606	15,379	91,393	17,850
Provision for impairment of credit and assets	38,450,806	7,417,002	35,127,556	6,272,952
Deductible tax losses	6,330,815	1,484,094	5,299,868	1,296,557
Lease liabilities	5,559,801	1,082,111	5,105,216	1,016,877
Revaluation surplus from restructuring	1,112,808	278,210	1,155,432	288,858
Unrealised profits of intra-group transactions	8,659,205	1,982,267	8,230,341	1,866,254
Changes in fair value of other equity instrument investments	125,807	26,624	131,883	26,746
Interest expenses that can be carried forward for deduction	451,028	112,847	703,912	175,978
Others	6,954,324	1,388,807	8,558,936	1,721,197
Total	67,720,200	13,787,341	64,404,537	12,683,269

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (Continued)

RMB'000

Item	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Right-of-use assets	6,212,242	1,185,850	5,631,994	1,106,812
Changes in fair value of other equity instrument investments	2,001,830	323,571	1,237,793	230,969
Asset appreciation from appraisal for business combinations involving entities not under common control	346,893	86,776	391,297	97,824
Book-tax temporary differences for revenue recognition	5,432,039	1,358,010	4,995,849	1,318,904
Others	3,052,241	659,897	3,325,349	725,451
Total	17,045,245	3,614,104	15,582,282	3,479,960

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (Continued)

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

RMB'000

Item	Offset amount between deferred tax assets and liabilities at the end of the year	Closing balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities at the beginning of the year	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	1,634,841	12,152,500	1,471,357	11,211,912
Deferred tax liabilities	1,634,841	1,979,263	1,471,357	2,008,603

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

RMB'000

Item	31 December 2024	31 December 2023
Deductible temporary differences	16,850,753	14,316,726
Deductible tax losses	27,006,370	23,172,034
Total	43,857,123	37,488,760

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (Continued)

Deductible losses, for which no deferred tax assets are recognised, will expire in the following years:

RMB'000

Year	31 December 2024	31 December 2023
2024	–	1,927,158
2025	3,419,779	3,452,708
2026	4,728,944	4,865,996
2027	4,508,318	4,652,072
2028	6,026,313	6,200,188
2029	6,413,900	185,955
2030	780,666	857,374
2031	425,648	427,993
2032	294,077	294,077
2033	308,513	308,513
2034	100,212	–
Total	27,006,370	23,172,034

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets

RMB'000

Item	31 December 2024	31 December 2023
Retention receivables	96,370,739	77,647,914
Contract assets derived from primary land development receivables and other project receivables	63,663,569	47,428,493
Others	8,833,601	6,413,083
Subtotal	168,867,909	131,489,490
Less: Current portion of other non-current assets (Note V. 10)	9,741,899	7,533,560
Total	159,126,010	123,955,930

The restricted other non-current assets of the Group are stated in Note V. 66.

Contract assets and provision for impairment of assets in other non-current assets are disclosed by category as follows:

RMB'000

Category	Gross carrying amount		31 December 2024 Provision for impairment of assets		Carrying amount
	Amount	Percentage %	Amount	Provision percentage %	
Provision for impairment of assets assessed individually	6,247,834	3.83	2,072,223	33.17	4,175,611
Provision for impairment of assets assessed by credit risk portfolio	157,065,627	96.17	1,206,930	0.77	155,858,697
Total	163,313,461	100.00	3,279,153	2.01	160,034,308

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (Continued)

Movements of contract assets and provision for impairment of assets in other non-current assets are as follows:

RMB'000

Item	31 December 2023	Provision	Reversal	Others	31 December 2024
Provision for impairment of assets	2,700,485	860,148	372,033	90,553	3,279,153

As at 31 December 2024, contract assets in other non-current assets with provision for impairment of assets assessed individually are as follows:

RMB'000

Company name	31 December 2024			Reason
	Gross carrying amount	Provision for impairment of assets	Provision percentage %	
Company 1	1,242,375	184,888	14.88	Note
Company 2	563,149	30,221	5.37	Note
Others	4,442,310	1,857,114	41.81	–
Total	6,247,834	2,072,223	33.17	–

Note: According to the recoverability of other non-current assets, the Group recorded impairment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (Continued)

As at 31 December 2024, contract assets in other non-current assets whose allowance for credit losses were assessed by credit risk portfolio (Note VIII. 3) are as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount	Provision proportion %
Portfolio 1	117,357,471	857,122	0.73
Portfolio 2	8,715,592	68,540	0.79
Portfolio 3	7,948,245	42,349	0.53
Portfolio 4	23,044,319	238,919	1.04
Total	157,065,627	1,206,930	0.77

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Short-term loans

RMB'000

Item	31 December 2024	31 December 2023
Credit loans	145,547,053	76,839,215
Pledged loans (Note 1, Note 2)	2,333,507	3,501,593
Guaranteed loans (Note 3)	1,537,183	1,498,950
Mortgaged loans (Note 4, Note 5)	724,950	–
Total	150,142,693	81,839,758

Note 1: As at 31 December 2024, short-term loans with a carrying amount of RMB2,224,395,000 (31 December 2023: RMB3,501,593,000) were secured by the pledge of the Group's trade receivables and future earnings right, as well as all the interests and gains under the contracts thereof with a carrying amount of RMB2,187,597,000 (31 December 2023: RMB3,501,593,000).

Note 2: As at 31 December 2024, short-term loans with a carrying amount of RMB145,910,000 (31 December 2023: Nil) were secured by the pledge of the Group's intangible assets with a carrying amount of RMB315,788,000 (31 December 2023: Nil).

Note 3: As at 31 December 2024, all guaranteed loans were guaranteed by the entities comprising the Group (31 December 2023: all guaranteed loans were guaranteed by the entities comprising the Group).

Note 4: As at 31 December 2024, short-term loans with a carrying amount of RMB234,210,000 (31 December 2023: Nil) were secured by the mortgage of the Group's fixed assets with a carrying amount of RMB282,290,000 (31 December 2023: Nil).

Note 5: As at 31 December 2024, short-term loans with a carrying amount of RMB490,740,000 (31 December 2023: Nil) were secured by the mortgage of the Group's investment properties with a carrying amount of RMB163,744,000 (31 December 2023: Nil).

As at 31 December 2024, annual interest rates of above short-term loans ranged from 1.10% to 7.67% (31 December 2023: 1.45% to 8.50%).

As at 31 December 2024, the Group had no overdue short-term loans (31 December 2023: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Due to customers

RMB'000

Item	31 December 2024	31 December 2023
Due to customers	2,051,298	1,356,691

28. Bills payable

RMB'000

Item	31 December 2024	31 December 2023
Bank acceptance bills	35,439,074	40,359,706
Commercial acceptance bills	5,877,551	13,101,536
Total	41,316,625	53,461,242

As at 31 December 2024, the Group had no unpaid overdue bills payable (31 December 2023: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Trade payables

Aging of trade payables is listed as follows:

<i>RMB'000</i>		
Item	31 December 2024	31 December 2023
Within 1 year	500,956,993	481,905,215
1 to 2 years	7,165,099	6,632,866
2 to 3 years	2,127,572	2,006,849
Over 3 years	2,563,976	1,022,284
Total	512,813,640	491,567,214

As at 31 December 2024, trade payables aged over one year amounted to RMB11,856,647,000 (31 December 2023: RMB9,661,999,000), primarily consisted of payables for construction contracts and materials. Since the progress of relevant projects had not reached the point of payments, these trade payables had not been settled.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Trade payables (Continued)

To ensure that the suppliers can obtain the financing support and facilitate the settlement in advance, the Group has entered into supplier financing arrangements such as supply chain financing and reverse factoring. The Group will repay the amount to the bank on the agreed payment due date. Since the arrangement does not result in the Group obtaining financing from the bank by extending the actual payment term for repayment, the Group believes that the debt owed to the bank should be classified as trade payables, and the payment due date for such accounts payable generally ranges from 6 months to 12 months.

The Group's trade payables arising from supplier financing arrangement is as follows:

RMB'000

Item	31 December 2024	31 December 2023
Trade payables arising from supplier financing arrangement (<i>Note</i>)	125,149,928	136,865,757

Note: As at 31 December 2024, for trade payables arising from supplier financing arrangement, the suppliers have received payments of RMB87,608,769,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Contract liabilities

RMB'000

Item	31 December 2024	31 December 2023
Advances for construction operations	81,561,817	77,398,274
Advances for the sale of properties <i>(Note)</i>	55,475,086	67,719,450
Advances for the sale of materials	2,202,546	3,266,407
Advances for the sale of goods	1,274,422	825,717
Others	1,135,479	986,454
Total	141,649,350	150,196,302

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Contract liabilities (Continued)

Note: Details of advances for the sale of properties are listed as follows:

RMB'000

Project name	31 December 2024	Percentage of accumulated pre-sales as at 31 December 2024 %	Estimated completion date
Chengdu Qingyang City Park Junior Project	4,177,939	91	December 2024
Shanghai Riverside Mansion Project	4,047,396	67	October 2025
Chengdu Wuhou City Park Pure Project	3,511,337	77	August 2025
Xingyue Hubin Project	2,418,832	82	April 2025
City Throne Project	2,333,364	32	December 2025
Xipai Zhenjing Yayuan Project	2,069,991	78	August 2025
Jinyue Mingdi Project	1,975,430	92	December 2024
New Xidu Project	1,678,053	35	November 2025
Tiejian City Project	1,628,354	16	June 2025
Tianchen Yayuan Project	1,301,940	97	August 2025
Xipai Jiaozi Project	1,299,179	89	December 2025
Hefei Huayu Jiangnan Project	1,272,018	43	June 2025
CRCC Taiyuan Huayutang Project	1,256,571	68	June 2025
Xi'an CRCC International City II Project	1,007,559	96	June 2026
Xipai Yiyuan Project	1,005,348	29	April 2025
Xipai Jinshafu Project	996,129	9	June 2025
Nanjing Huayu Tainjingfu Project	882,794	19	December 2027
Changsha Huayu Jiangnan Project	881,901	24	December 2025
CRCC Xipai Lanting Project	792,602	28	November 2025
Xipai Chengyang Project	759,158	95	December 2024
Others	20,179,191	—	—
Total	55,475,086	—	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Contract liabilities (Continued)

As at the balance sheet date, significant contract liabilities aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	31 December 2024	Reasons
Company 1	Third party	518,549	Work performed but not billed
Company 2	Related party	456,948	Work performed but not billed
Company 3	Third party	454,062	Work performed but not billed
Company 4	Third party	332,613	Work performed but not billed
Company 5	Third party	251,643	Work performed but not billed
Total	–	2,013,815	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable

2024:

RMB'000

Item	1 January 2024	Accrued	Paid	31 December 2024
Short-term benefits	13,541,909	71,352,839	71,350,483	13,544,265
Post-employment benefits (defined contribution plans)	2,575,524	9,354,775	9,425,718	2,504,581
Total	16,117,433	80,707,614	80,776,201	16,048,846

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Short-term benefits	11,738,521	73,412,704	71,609,316	13,541,909
Post-employment benefits (defined contribution plans)	2,168,216	8,984,873	8,577,565	2,575,524
Total	13,906,737	82,397,577	80,186,881	16,117,433

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable (Continued)

Short-term benefits:

2024:

RMB'000

Item	1 January 2024	Accrued	Paid	31 December 2024
Salaries, bonuses, allowances and subsidies	9,049,546	49,210,395	49,052,562	9,207,379
Staff welfare	—	4,636,819	4,636,819	—
Social insurance	1,539,562	4,872,505	4,897,982	1,514,085
Including: Medical insurance	1,371,059	4,352,308	4,374,915	1,348,452
Work injury insurance	128,139	408,568	407,368	129,339
Maternity insurance	40,364	111,629	115,699	36,294
Housing funds	1,173,789	4,925,361	4,876,686	1,222,464
Union fund and employee education fund	816,225	1,410,655	1,352,444	874,436
Others	962,787	6,297,104	6,533,990	725,901
Total	13,541,909	71,352,839	71,350,483	13,544,265

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable (Continued)

Short-term benefits: (Continued)

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Salaries, bonuses, allowances and subsidies	8,035,885	50,677,931	49,664,270	9,049,546
Staff welfare	–	4,812,981	4,812,981	–
Social insurance	1,302,419	4,661,509	4,424,366	1,539,562
Including: Medical insurance	1,144,269	4,217,786	3,990,996	1,371,059
Work injury insurance	116,099	348,225	336,185	128,139
Maternity insurance	42,051	95,498	97,185	40,364
Housing funds	994,463	4,690,939	4,511,613	1,173,789
Union fund and employee education fund	745,917	1,488,537	1,418,229	816,225
Others	659,837	7,080,807	6,777,857	962,787
Total	11,738,521	73,412,704	71,609,316	13,541,909

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable (Continued)

Defined contribution plan:

2024:

RMB'000

Item	1 January 2024	Accrued	Paid	31 December 2024
Basic pension insurance	1,722,996	6,875,684	6,971,633	1,627,047
Unemployment insurance	105,316	264,129	270,752	98,693
Supplementary pension insurance	747,212	2,214,962	2,183,333	778,841
Total	2,575,524	9,354,775	9,425,718	2,504,581

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Basic pension insurance	1,491,523	6,505,311	6,273,838	1,722,996
Unemployment insurance	91,267	247,255	233,206	105,316
Supplementary pension insurance	585,426	2,232,307	2,070,521	747,212
Total	2,168,216	8,984,873	8,577,565	2,575,524

Defined contribution plan includes basic pension insurance and unemployment insurance managed by local governments and the Group's supplementary pension insurance. In addition to the monthly payments, the Group is no longer liable for further payments. Relevant expenditures are capitalised or expensed in the period when incurred.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Taxes payable

RMB'000

Item	31 December 2024	31 December 2023
EIT	3,671,037	4,279,976
VAT	2,381,631	2,326,120
Others	2,086,037	2,453,181
Total	8,138,705	9,059,277

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Other payables

RMB'000

Item	31 December 2024	31 December 2023
Payables for advances	39,750,746	35,267,909
Guarantees and deposits	34,573,655	31,249,355
Amounts due to related parties	23,133,873	17,933,942
Amounts due to partners	4,762,573	3,729,513
Dividends payable	1,296,068	1,137,603
Others	16,787,105	16,739,815
Total	120,304,020	106,058,137

As at 31 December 2024, significant other payables aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	31 December 2024	Reasons
Company 1	Third Party	917,547	Payables not settled
Company 2	Third Party	213,576	Payables not settled
Company 3	Third Party	201,317	Payables not settled
Company 4	Third Party	174,280	Payables not settled
Company 5	Third Party	103,401	Payables not settled
Total	—	1,610,121	—

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Current portion of non-current liabilities

RMB'000

Item	31 December 2024	31 December 2023
Current portion of long-term loans (Note V. 36)	46,323,516	32,205,519
Current portion of bonds payable (Note V. 37)	19,600,735	12,173,678
Current portion of long-term payables (Note V. 39)	8,000,818	7,732,647
Current portion of lease liabilities (Note V. 38)	2,255,090	2,106,473
Current portion of provisions	304,957	224,184
Current portion of post-employment benefits payable	21,987	26,017
Total	76,507,103	54,468,518

The current portion of long-term loans is presented as follows:

RMB'000

Item	31 December 2024	31 December 2023
Credit loans	31,816,420	20,912,845
Mortgaged loans (Note V. 36 (Note 4, Note 5, Note 7, Note 8))	7,495,417	4,482,925
Pledged loans (Note V. 36 (Note 1, Note 2, Note 3))	3,984,657	4,423,313
Guaranteed loans (Note V. 36 (Note 9))	3,027,022	2,386,436
Total	46,323,516	32,205,519

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other current liabilities

RMB'000

Item	31 December 2024	31 December 2023
Amounts to be transferred to output VAT	40,973,876	33,419,043
Short-term unsecured financing bonds (Note 1)	2,011,724	–
Others	424,040	275,743
Total	43,409,640	33,694,786

Note 1: Short-term unsecured financing bonds bear a fixed interest rate, with repayment of principal and interest at maturity.

The movement of short-term unsecured financing bonds is listed as follows:

RMB'000

Bond name	Par value	Issuance date	Bond term	Opening balance	Net amount of issuance during the year	Interests accrued	Amortisation of discounts and premium and effects of exchange rate	Repayment of principal and interest for the year	Closing balance
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase I in 2024	RMB1 billion	12 September 2024	270 days	–	999,899	6,299	59	–	1,006,257
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase II in 2024	RMB0.5 billion	23 September 2024	270 days	–	499,949	2,834	26	–	502,809
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase III in 2024	RMB0.5 billion	11 October 2024	270 days	–	499,949	2,685	24	–	502,658
Total	–	–	–	–	1,999,797	11,818	109	–	2,011,724

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term loans

RMB'000

Item	31 December 2024	31 December 2023
Pledged loans (<i>Note 1, Note 2, Note 3</i>)	69,634,559	46,162,594
Mortgaged loans (<i>Note 4, Note 5, Note 6, Note 7, Note 8</i>)	25,241,688	23,030,661
Guaranteed loans (<i>Note 9</i>)	2,236,123	8,844,955
Credit loans	137,950,250	87,583,268
Total	235,062,620	165,621,478

Note 1: As at 31 December 2024, long-term loans with a carrying amount of RMB53,292,981,000 including current portion of long-term loans of RMB1,130,866,000 (31 December 2023: RMB31,447,659,000, including current portion of long-term loans of RMB516,497,000) were secured by pledge of the Group's concession rights with a carrying amount of RMB88,231,975,000 (31 December 2023: RMB44,149,387,000).

Note 2: As at 31 December 2024, long-term loans with a carrying amount of RMB864,594,000 including current portion of long-term loans of RMB240,717,000 (31 December 2023: RMB6,102,222,000, including current portion of long-term loans of RMB2,260,244,000) were secured by pledge of the Group's trade receivables with a carrying amount of RMB865,973,000 (31 December 2023: RMB6,118,285,000).

Note 3: As at 31 December 2024, long-term loans with a carrying amount of RMB19,461,641,000 including current portion of long-term loans of RMB2,613,074,000 (31 December 2023: RMB13,036,026,000, including current portion of long-term loans of RMB1,646,572,000) were secured by pledges of the Group's contract assets of primary land development and other projects with a carrying amount of RMB26,337,133,000 (31 December 2023: the Group's contract assets of primary land development and other projects with a carrying amount of RMB14,856,837,000), and long-term receivables with a carrying amount of RMB10,269,134,000 (31 December 2023: RMB5,435,799,000).

Note 4: As at 31 December 2024, long-term loans with a carrying amount of RMB967,780,000 including current portion of long-term loans of RMB66,264,000 (31 December 2023: RMB1,522,817,000, including current portion of long-term loans of RMB63,087,000) were secured by mortgage of the Group's fixed assets with a carrying amount of RMB1,878,323,000 (31 December 2023: RMB2,955,270,000).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term loans (Continued)

- Note 5:* As at 31 December 2024, long-term loans with a carrying amount of RMB29,348,907,000 including current portion of long-term loans of RMB7,323,527,000 (31 December 2023: RMB24,393,987,000, including current portion of long-term loans of RMB4,200,338,000) were secured by mortgage of the Group's inventories with a carrying amount of RMB67,381,882,000 (31 December 2023: RMB45,687,542,000).
- Note 6:* As at 31 December 2024, long-term loans with a carrying amount of RMB660,819,000 (31 December 2023: RMB1,148,207,000) were secured by mortgage of the Group's construction in progress with a carrying amount of RMB995,298,000 (31 December 2023: RMB3,030,237,000).
- Note 7:* As at 31 December 2024, long-term loans with a carrying amount of RMB1,248,676,000 including current portion of long-term loans of RMB70,126,000 (31 December 2023: Nil) were secured by mortgage of the Group's investment properties with a carrying amount of RMB2,565,962,000 (31 December 2023: Nil).
- Note 8:* As at 31 December 2024, long-term loans with a carrying amount of RMB510,923,000 including current portion of long-term loans of RMB35,500,000 (31 December 2023: RMB448,575,000, including current portion of long-term loans of RMB219,500,000) were secured by mortgage of the Group's land use rights with a carrying amount of RMB438,760,000 (31 December 2023: RMB689,249,000).
- Note 9:* As at 31 December 2024, the guaranteed long-term loans, including current portion of long-term loans of RMB3,027,022,000 (31 December 2023: RMB2,386,436,000), were all internally guaranteed by the entities comprising the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term loans (Continued)

As at 31 December 2024, the Group had no overdue long-term loans (31 December 2023: Nil).

The maturity profile of the long-term loans as at the end of the year is listed as follows:

RMB'000

Item	31 December 2024	31 December 2023
Within one year or paid on demand (<i>Note V. 34</i>)	46,323,516	32,205,519
In the second year (inclusive)	57,199,589	42,917,553
In the second to fifth year (inclusive)	93,699,707	70,846,881
Over five years	84,163,324	51,857,044
Total	281,386,136	197,826,997

37. Bonds payable

RMB'000

Item	31 December 2024	31 December 2023
Bonds payable	52,321,218	43,205,227
Less: Current portion of bonds payable (<i>Note V. 34</i>)	19,600,735	12,173,678
Non-current portion of bonds payable	32,720,483	31,031,549

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2024, balances of bonds payable are listed as follows:

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2024
CRCC Huayuan Limited Guaranteed Note due in 2027 with principal of RMB350 million and interest rate of 2.60% (Note 1)	3,500,000	25 September 2024	3 years	3,500,000	2.60%	-	3,500,000	24,384	(5,856)	-	3,518,528
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of public placement corporate bonds to professional investors	3,405,000	15 September 2020	3+2 years	3,405,000	4.05%	3,434,148	-	126,736	1,365	128,522	3,433,727
China Railway Construction Corporation Limited - 2024 first issue of medium term note	3,000,000	1 August 2024	10 years	3,000,000	2.28%	-	3,000,000	27,735	(2,957)	-	3,024,778
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of public placement corporate bonds to professional investors	2,900,000	18 March 2022	3+2 years	2,900,000	3.65%	2,977,758	-	106,589	1,290	109,500	2,976,137
China Railway Construction Real Estate Group Co., Ltd. - 2024 first issue of public placement corporate bonds to professional investors	2,410,000	17 January 2024	3+2 years	2,410,000	3.30%	-	2,410,000	68,844	(3,910)	-	2,474,934
CRCC Huan Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	20 May 2021	5 years	EUR 300 million	0.88%	2,365,720	-	20,413	(97,962)	20,918	2,267,253
China Railway Construction Real Estate Group Co., Ltd. - 2023 first issue of medium term note	2,200,000	9 January 2023	3+2 years	2,200,000	4.45%	2,286,427	-	96,599	758	117,900	2,265,884
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,169,271	-	94,500	1,283	94,500	2,170,554
CRCC Huan Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 3)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,125,786	-	40,304	33,132	40,212	2,159,010
China Railway Construction Real Estate Group Co., Ltd. - 2023 first issue of public placement corporate bonds to professional investors	1,830,000	10 March 2023	3+2 years	1,830,000	3.84%	1,898,042	-	73,147	979	96,000	1,876,168
China Railway Construction Real Estate Group Co., Ltd. - 2021 first issue of medium term note	1,830,000	2 March 2021	3+2 years	1,830,000	4.17%/3.25%	2,059,854	75,000	64,236	2,599	328,400	1,873,289

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2024
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	27 June 2022	3+2 years	1,760,000	3.43%	1,791,194	–	64,383	850	68,600	1,787,827
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,734,337	–	61,828	725	72,390	1,724,500
China Railway Construction Corporation Limited – 2024 first issue of public placement technology innovation corporate bonds to professional investors (variety II)	1,700,000	26 July 2024	30 years	1,700,000	2.57%	–	1,700,000	18,912	(1,051)	–	1,717,861
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public placement corporate bonds to professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%/3.68%	1,344,292	290,000	47,948	3,986	339,140	1,347,086
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public placement corporate bonds to professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%/3.55%	1,341,994	130,000	47,017	2,140	181,350	1,339,801
China Railway Construction Corporation Limited – 2024 first issue of public placement technology innovation corporate bonds to professional investors (variety I)	1,300,000	26 July 2024	20 years	1,300,000	2.49%	–	1,300,000	14,012	(798)	–	1,313,214
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	17 July 2023	3+2 years	1,300,000	3.58%	1,317,220	–	44,990	424	106,540	1,256,094
China Railway Construction Real Estate Group Co., Ltd. – 2024 first issue of medium term note	1,210,000	26 February 2024	3+2 years	1,210,000	3.00%	–	1,210,000	30,008	(1,909)	–	1,238,099
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,120,000	15 July 2022	3+2 years	1,120,000	3.40%	1,138,863	–	45,372	638	51,000	1,133,873
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public placement corporate bonds to professional investors	1,150,000	1 September 2021	3+2 years	1,150,000	3.28%/2.50%	1,121,193	40,000	33,633	498	76,408	1,118,916
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,090,000	18 May 2022	3+2 years	1,090,000	3.30%	1,116,606	–	42,496	638	49,500	1,110,240
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	890,000	23 March 2020	3+2 years	890,000	4.30%	917,866	–	38,270	587	38,270	918,453
China Railway Construction Investment Group Co., Ltd. – 2024 first issue of public placement corporate bonds to professional investors	860,000	10 October 2024	10 years	860,000	2.40%	–	860,000	5,391	(476)	–	864,915

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2024, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2024
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	787,396	50,000	28,718	893	32,000	835,007
China Railway Construction Real Estate Group Co., Ltd. – 2024 second issue of medium term note	690,000	07 March 2024	3+2 years	690,000	3.20%	–	690,000	16,088	(1,257)	–	704,831
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	700,000	12 October 2022	3+2 years	700,000	3.74%	702,895	–	26,180	275	26,180	703,170
CRCC Kunlun Investment Group Co., Ltd. – 2024 first issue of medium term note	700,000	21 August 2024	10 years	700,000	2.48%	–	700,000	6,550	(3,757)	–	702,793
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,375	–	20,700	152	20,700	615,527
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	715,231	–	21,623	285	124,850	612,289
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	06 January 2022	3+2 years	500,000	3.70%	515,978	–	23,375	306	18,500	521,159
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	513,723	–	14,625	199	19,500	509,047
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,631	–	23,523	340	26,800	504,694
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of targeted placement notes	500,000	04 July 2023	3+2 years	500,000	3.65%	502,161	–	18,250	180	18,250	502,341
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	300,000	28 March 2022	3+2 years	300,000	3.99%	312,944	–	11,970	176	11,970	313,120
China Railway Construction Real Estate Group Co., Ltd. – 2024 third issue of medium term note	310,000	05 June 2024	3+2 years	310,000	2.53%	–	310,000	6,325	(686)	2,625	313,014

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2024, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2024
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	290,000	25 March 2022	3+2 years	290,000	3.70%	287,859	10,000	10,940	138	11,100	297,837
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.68%	329,813	-	13,577	258	68,400	275,248
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,764,645	-	21,938	1,167	2,787,750	-
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,017,115	-	52,800	485	2,070,400	-
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement corporate bond – resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,026,765	-	1,571	(26,765)	1,001,571	-
China Railway Construction Real Estate Group Co., Ltd. – 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,105	-	2,745	130	265,980	-
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement corporate bond	197,000	09 April 2019	3+2 years	197,000	3.19%	202,020	-	7,999	(2,020)	207,999	-
Total	-	-	-	-	-	43,205,227	16,275,000	1,567,244	(92,528)	8,633,725	52,321,218
Less: Current portion of bonds payable	-	-	-	-	-	12,173,678	-	-	-	-	19,600,735
Non-current portion of bonds payable	-	-	-	-	-	31,031,549	-	-	-	-	32,720,483

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows:

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued in the year	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,405,000	15 September 2020	3+2 years	3,405,000	4.05%	3,620,343	385,000	141,177	3,023	715,395	3,434,148
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	3,075,098	–	109,500	2,660	209,500	2,977,758
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,768,924	–	87,750	(4,279)	87,750	2,764,645
CRCC Huan Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	20 May 2021	5 years	EUR 300 million	0.88%	2,232,583	–	20,576	132,466	19,905	2,365,720
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	09 January 2023	3+2 years	2,200,000	4.45%	–	2,200,000	89,742	(3,315)	–	2,286,427
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,147,106	–	87,675	1,690	67,200	2,169,271
CRCC Huan Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 3)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,088,966	–	39,979	36,770	39,929	2,125,786
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	02 March 2021	3+2 years	2,000,000	4.17%	2,058,325	–	83,400	1,529	83,400	2,059,854
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,016,308	–	70,400	807	70,400	2,017,115
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	1,830,000	10 March 2023	3+2 years	1,830,000	3.84%	–	1,830,000	72,000	(3,958)	–	1,898,042
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	27 June 2022	3+2 years	1,760,000	3.43%	1,228,492	560,000	68,600	2,702	68,600	1,791,194
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,732,807	–	62,390	1,530	62,390	1,734,337
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public placement corporate bonds to professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,343,183	–	49,140	1,109	49,140	1,344,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2024, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued in the year	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public placement corporate bonds to professional investors	1,300,000	03 February 2021	3+2 years	1,300,000	3.95%	1,340,841	–	51,350	1,154	51,351	1,341,994
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	17 July 2023	3+2 years	1,300,000	3.58%	–	1,300,000	19,392	(2,172)	–	1,317,220
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,120,000	15 July 2022	3+2 years	1,120,000	3.40%	918,178	220,000	51,000	685	51,000	1,138,863
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public placement corporate bonds to professional investors	1,110,000	01 September 2021	3+2 years	1,110,000	3.28%	1,120,060	–	36,408	1,133	36,408	1,121,193
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	1,126,716	–	49,500	(110)	59,500	1,116,606
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,032,355	–	31,996	(5,590)	31,996	1,026,765
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	890,000	23 March 2020	3+2 years	890,000	4.30%	920,738	–	36,083	565	39,520	917,866
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	786,241	–	32,000	1,155	32,000	787,396
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	–	700,000	16,567	(1,336)	–	715,231
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	700,000	12 October 2022	3+2 years	700,000	3.74%	402,866	300,000	26,180	29	26,180	702,895
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,227	–	20,700	148	20,700	615,375

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2024, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued in the year	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	06 January 2022	3+2 years	500,000	3.70%	515,762	–	18,500	216	18,500	515,978
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	–	500,000	14,625	(902)	–	513,723
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,268	–	26,800	363	26,800	507,631
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of targeted placement notes	500,000	04 July 2023	3+2 years	500,000	3.65%	–	500,000	3,042	(881)	–	502,161
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.68%	328,456	–	18,400	1,358	18,401	329,813
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	300,000	28 March 2022	3+2 years	300,000	3.99%	167,827	140,000	16,533	554	11,970	312,944
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.70%	308,257	–	11,100	(398)	31,100	287,859
China Railway Construction Real Estate Group Co., Ltd. – 2019 second issue of private placement corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,514	–	10,980	(410)	10,979	263,105
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement corporate bond	197,000	09 April 2019	3+2 years	197,000	3.19%	196,725	–	6,283	5,295	6,283	202,020
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 1)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,593,404	–	72,695	(29,962)	5,636,137	–
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	819,052	–	6,360	28	825,440	–
China Railway SIYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020	3 years	1,000,000	2.50%	1,014,722	–	10,278	25,000	1,050,000	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (Continued)

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,982	–	4,000	18	516,000	–
China Railway Construction Real Estate Group Co., Ltd. – 2018 first issue of medium term note	2,200,000	19 January 2018	5 years	2,200,000	5.94%	2,290,170	–	7,883	(3,453)	2,294,600	–
China Railway Construction Real Estate Group Co., Ltd. – Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 years	100,000	5.50%	102,479	–	1,060	2,927	106,466	–
Total	–	–	–	–	–	45,194,975	8,635,000	1,582,044	168,148	12,374,940	43,205,227
Less: Current portion of bonds payable	–	–	–	–	–	17,098,279	–	–	–	–	12,173,678
Non-current portion of bonds payable	–	–	–	–	–	28,096,696	–	–	–	–	31,031,549

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (Continued)

Note 1: The 3-year RMB bonds issued by the Group's overseas subsidiary in the international market are guaranteed by the Company, with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Note 2: The 5-year EUR bonds issued by the Group's overseas subsidiary in the international market are guaranteed by the Company, with fixed interest rate, yearly interest payment and principal repayment at maturity.

Note 3: The 5-year USD bonds issued by the Group's overseas subsidiary in the international market are guaranteed by the Company, with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Besides the long term bonds mentioned above, others were general corporate bonds issued on Shanghai Stock Exchange, and unsecured medium-term Notes, non-public directional debt financing instruments issued in National Association of Financial Market Institutional Investors. The relevant long term bonds were with fixed interest rates, interest repayment based on scheduled repayment dates and principal repayment at maturity. For certain bonds, at the end of third year or the fifth year, issuer have right to adjust coupon rate and redeem, and investor have right to put back option.

38. Lease liabilities

RMB'000

Item	31 December 2024	31 December 2023
Lease liabilities	6,452,125	6,186,880
Less: Total current portion of lease liabilities (Note V. 34)	2,255,090	2,106,473
Total non-current portion of lease liabilities	4,197,035	4,080,407

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Long-term payables

RMB'000

Item	31 December 2024	31 December 2023
Retention payables and other long-term project payables	46,882,729	36,700,397
Payables for specific items	4,330,152	5,499,201
Special payables	296,795	210,597
Others	6,326,815	6,585,624
Total	57,836,491	48,995,819
Less: Current portion of long-term payables (Note V. 34)	8,000,818	7,732,647
Total non-current portion of long-term payables	49,835,673	41,263,172

Notes to the Financial Statements

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Deferred income

2024:

RMB'000

Item	1 January 2024	Additions	Reductions	31 December 2024
Government grants related to assets	145,223	137,081	8,407	273,897
Government grants related to income	538,257	502,746	504,093	536,910
Others	329,113	—	8,984	320,129
Total	1,012,593	639,827	521,484	1,130,936

2023:

RMB'000

Item	1 January 2023	Additions	Reductions	31 December 2023
Government grants related to assets	152,936	1,300	9,013	145,223
Government grants related to income	560,245	718,244	740,232	538,257
Others	342,840	1,001	14,728	329,113
Total	1,056,021	720,545	763,973	1,012,593

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Deferred income (Continued)

As at 31 December 2024, projects related to governments grants are listed as follows:

RMB'000

Project	1 January 2024	Additions	Included in non- operating income/other income in the year	Other changes (Note)	31 December 2024	Related to assets/income
Enterprise Development and Support Fund	394,403	236,778	(226,972)	–	404,209	Related to assets/ income
Others	289,077	403,049	(257,713)	(27,815)	406,598	–
Total	683,480	639,827	(484,685)	(27,815)	810,807	–

As at 31 December 2023, projects related to governments grants are listed as follows:

RMB'000

Project	1 January 2023	Additions	Included in non- operating income/other income in the year	Other changes (Note)	31 December 2023	Related to assets/income
Enterprise Development and Support Fund	443,280	359,365	(408,242)	–	394,403	Related to assets/ income
Others	269,901	360,179	(339,677)	(1,326)	289,077	–
Total	713,181	719,544	(747,919)	(1,326)	683,480	–

Note: Government grants related to assets are used to offset against the carrying amount of relevant assets when relevant assets become ready for their intended use.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Share capital

2024:

RMB'000

Item	1 January 2024	Increase	Decrease	31 December 2024
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments

RMB'000

Item		31 December 2024	31 December 2023
2019 & 2020 renewable loans	<i>Note 1</i>	22,200,000	22,200,000
2024 renewable corporate bonds	<i>Note 2</i>	16,489,155	–
2022 renewable corporate bonds	<i>Note 3</i>	10,993,335	10,993,335
2021 renewable corporate bonds	<i>Note 4</i>	4,297,248	9,593,972
2023 renewable corporate bonds	<i>Note 5</i>	4,196,933	4,196,933
2023 medium-term notes Phase I	<i>Note 6</i>	2,995,466	2,995,466
2022 medium-term notes Phase I	<i>Note 7</i>	2,995,372	2,995,372
2019 renewable corporate bonds	<i>Note 8</i>	–	2,998,589
2021 CRCC medium-term notes	<i>Note 9</i>	–	1,994,120
2019 CRCC medium-term notes	<i>Note 10</i>	–	1,495,643
Total		64,167,509	59,463,430

Note 1: In 2019 and 2020, the Company entered into renewable loans contracts with an aggregate principal amount of RMB35,600,000,000. Pursuant to the terms of these renewable loans contracts, the Company has the option to redeem the renewable loans at the expiration of 5 years or 7 years or 10 years since the investment principal transfer date, if no redemption requested at the time point mentioned above, the investment term of the relevant investment principal will be continued, the Company will have option to request for redemption before three months at the expiration date of 1 year or 3 years. The nominal interest rate of the renewable loans mentioned above in the first loan term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent loan terms is adjusted as the current prime interest rate plus initial spread plus 100 or 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The loans are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the loans did not satisfy the definition of financial liabilities, and recognised the renewable loans as other equity instruments. In 2022 and 2021, the Company redeemed part of the above renewable loans, the principal redeemed amounted to RMB13,400,000,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 2: From June to November 2024, the Company issued renewable bonds with an aggregate principal amount of RMB16,500,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 150 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB16,489,155,000, net of the relevant expenses of issuance of RMB10,845,000.

Note 3: On April 2022, July 2022, and December 2022, the Company issued renewable bonds respectively with an aggregate principal amount of RMB11,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 or 310 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB10,993,335,000, net of the relevant expenses of issuance of RMB6,665,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 4: On June 2021, November 2021, and December 2021, the Company issued renewable bonds respectively with an aggregate principal amount of RMB9,600,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB9,593,972,000, net of the relevant expenses of issuance of RMB6,028,000. In 2024, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB5,300,000,000. The differences between redeemed principal and the carrying amount of RMB3,276,000 are included in capital reserve.

Note 5: On June 2023 and December 2023, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,200,000,000. Pursuant to the terms of the renewable bonds, for the phase-I renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points; for the phase-II renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 200 basis points. The maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,196,933,000, net of the relevant expenses of issuance of RMB3,067,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 6: On September 2023, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,466,000, net of the relevant expenses of issuance of RMB4,534,000.

Note 7: On October 2022, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third, the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,372,000, net of the relevant expenses of issuance of RMB4,628,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 8: On October 2019, November 2019, and December 2019, the Company issued renewable bonds respectively with an aggregate principal amount of RMB12,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB11,994,417,000, net of the relevant expenses of issuance of RMB5,583,000. In 2022, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB9,000,000,000. The differences between redeemed principal and the carrying amount of RMB4,172,000 are included in capital reserve. In 2024, the Company redeemed remaining part of the above renewable bonds, the principal redeemed amounted to RMB3,000,000,000. The differences between redeemed principal and the carrying amount of RMB1,411,000 are included in capital reserve.

Note 9: On August 2021, the Company issued medium-term notes with an aggregate principal amount of RMB2,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,994,120,000, net of the relevant expenses of issuance of RMB5,880,000. In 2024, the Company redeemed above medium-term notes, the principal redeemed amounted to RMB2,000,000,000. The differences between redeemed principal and the carrying amount of RMB5,880,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 10: On November 2019, the Company issued medium-term notes with an aggregate principal amount of RMB1,500,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,495,643,000, net of the relevant expenses of issuance of RMB4,357,000. In 2024, the Company redeemed above medium-term notes, the principal redeemed amounted to RMB1,500,000,000. The differences between redeemed principal and the carrying amount of RMB4,357,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Capital reserve

2024:

RMB'000

Item	1 January 2024	Increase	Decrease	31 December 2024
Share premium (<i>Note 1</i>)	48,848,207	—	868,186	47,980,021
Relocation compensation granted by government	160,961	—	—	160,961
Others	(161,995)	—	14,924	(176,919)
Total	48,847,173	—	883,110	47,964,063

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Share premium	48,896,736	49,639	98,168	48,848,207
Relocation compensation granted by government	160,961	—	—	160,961
Others	(150,641)	—	11,354	(161,995)
Total	48,907,056	49,639	109,522	48,847,173

Note 1: In 2024, the following subsidiaries of the Company, China Railway 14th Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 19th Bureau Group Co., Ltd., China Railway 21st Bureau Group Co., Ltd. and China Railway Urban Construction Group Co., Ltd. (the “subsidiaries”) and their affiliated companies (“the Target Companies”) entered into Equity Transfer Agreements with several third-party investors. Pursuant to the agreements, the subsidiaries acquire the equity of the Target Companies in cash, with total transfer price of RMB5,600,000,000. Upon completion of the equity transfer, the subsidiaries held 100% shares of the Target Companies. These transactions resulted in decrease of capital reserve amounting to RMB806,410,000 and decrease of non-controlling interests amounting to RMB4,793,590,000 in the consolidated financial statements of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position:

RMB'000

Item	1 January 2023	Increase/ (decrease)	Less: Other comprehensive income carried forward to retained earnings	Less: Other comprehensive income carried forward to profit or loss	1 January 2024	Increase/ (decrease)	Less: Other comprehensive income carried forward to retained earnings	Less: Other comprehensive income carried forward to profit or loss	31 December 2024
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	47,176	192,843	-	-	240,019	61,728	-	-	301,747
Changes in fair value of other debt investments	(11,347)	5,162	-	(16,495)	10,310	(8,316)	-	-	1,994
Effect of deferred tax from changes in fair value of other debt investments	3,184	(1,290)	-	4,124	(2,230)	2,079	-	-	(151)
Changes in fair value of other equity instrument investments	725,500	(53,594)	57,749	-	614,157	687,284	242,070	-	1,059,371
Effect of deferred tax from changes in fair value of other equity instrument investments	(178,890)	11,756	-	-	(167,134)	(92,724)	-	-	(259,858)
Changes in fair value of receivables at FVTOCI	(9,280)	7,793	-	-	(1,487)	(5,115)	-	-	(6,602)
Effect of deferred tax from changes in fair value of receivables at FVTOCI	1,953	(2,335)	-	-	(382)	992	-	-	610
Exchange differences on translation of foreign operations	(1,451,933)	191,747	-	-	(1,260,186)	(1,079,884)	-	-	(2,340,070)
Others	54,498	(878)	154,181	-	(100,561)	895	(36,847)	-	(62,819)
Total	(819,139)	351,204	211,930	(12,371)	(667,494)	(433,061)	205,223	-	(1,305,778)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss:

2024:

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	774,148	92,724	594,560	86,864
Others	1,538	644	895	(1)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	61,728	–	61,728	–
Changes in fair value of other debt investments	(5,248)	(1,312)	(6,237)	2,301
Changes in fair value of receivables at FVTOCI	(6,674)	(992)	(4,123)	(1,559)
Exchange differences on translation of foreign operations	(1,101,281)	–	(1,079,884)	(21,397)
Total	(275,789)	91,064	(433,061)	66,208

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss: (Continued)

2023:

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(91,554)	(11,756)	(41,838)	(37,960)
Others	(1,015)	(93)	(878)	(44)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	192,843	–	192,843	–
Changes in fair value of other debt investments	28,061	7,014	16,243	4,804
Changes in fair value of receivables at FVTOCI	10,145	2,335	5,458	2,352
Exchange differences on translation of foreign operations	234,545	–	191,747	42,798
Total	373,025	(2,500)	363,575	11,950

45. Special reserve

In accordance with the provisions of the Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation (Cai Zi [2022] No. 136) issued by the Ministry of Finance and Ministry of Emergency Management, the Group provided for the safety production expenses at 1.5%, 2.5% and 3% of the cost of construction contracts, and utilised the expenses. Further details are stated in Note III. 31.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Surplus reserve

2024:

RMB'000

Item	1 January 2024	Increase	31 December 2024
Statutory surplus reserve (<i>Note</i>)	6,789,771	–	6,789,771

2023:

RMB'000

Item	1 January 2023	Increase	31 December 2023
Statutory surplus reserve (<i>Note</i>)	6,789,771	–	6,789,771

Note: In accordance with the Company Law and the Company's articles of association, the Company appropriated 10% of the net profit to the surplus reserve, which is limited to 50% of the Company's registered capital. The accumulated amount of the statutory surplus reserve reached 50% of the Company's registered capital at the end of 2021, thus additional appropriation would not be needed.

The Company and certain of its subsidiaries are authorised to allocate the discretionary surplus reserve from profit after tax after the allocation of the statutory reserve. Upon the approval of the board, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Retained earnings

RMB'000

Item	2024	2023
Retained earnings at the end of the previous year	181,825,095	162,067,076
Changes in accounting policies	—	(85,944)
Retained earnings at the beginning of the year	181,825,095	161,981,132
Net profit attributable to owners of the Company	22,215,074	26,096,971
Less: Appropriation to statutory surplus reserve	—	—
Cash dividend declared for ordinary shares (Note 1)	4,752,840	3,802,272
Interest distributed to other equity instruments holders (Note 2)	2,436,579	2,547,999
Others	205,223	97,263
Retained earnings at the end of the year	197,055,973	181,825,095

Note 1: In accordance with the resolution at the 2023 annual general meeting of shareholders on 20 June 2024, the Company declared a cash dividend for the year ended 31 December 2023 of RMB0.35 per share (2023: RMB0.28 per share), which amounted to RMB4,752,840,000 (2023: RMB3,802,272,000) based on 13,579,541,500 ordinary shares in issue. The above dividends have been paid after the general meeting of shareholders.

Note 2: In 2024, the Company accrued interest of other equity instruments holders amounting to RMB2,436,579,000 (2023: RMB2,547,999,000).

48. Revenue and cost of sales

RMB'000

Item	2024		2023 (restated)	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	1,058,014,579	951,090,941	1,129,072,328	1,012,919,005
Other operating revenue	9,156,758	6,510,847	8,921,158	6,830,046
Total	1,067,171,337	957,601,788	1,137,993,486	1,019,749,051

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales (Continued)

(1) Disaggregation of revenue by industry/segment is as follows:

RMB'000

Sector	2024		2023 (restated)	
	Revenue	Cost of sales	Revenue	Cost of sales
Construction operations	913,107,758	831,548,340	965,113,809	877,559,052
Real estate development operations	71,890,431	63,986,505	83,271,759	73,071,096
Manufacturing operations	19,185,073	13,864,413	19,200,261	13,867,827
Planning, design and consultancy operations	17,944,661	10,382,257	18,517,503	10,402,979
Other business operations	45,043,414	37,820,273	51,890,154	44,848,097
Total	1,067,171,337	957,601,788	1,137,993,486	1,019,749,051

(2) Disaggregation of revenue by point in time of revenue recognition:

RMB'000

	Construction operations	Real estate development operations	Manufacturing operations	Plan, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
Over time	913,107,758	–	250,309	14,097,512	7,331,915	934,787,494
A point in time	–	71,653,114	18,216,353	3,847,149	36,160,733	129,877,349
Revenue arising from leases	–	237,317	718,411	–	1,550,766	2,506,494
Total	913,107,758	71,890,431	19,185,073	17,944,661	45,043,414	1,067,171,337

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales (Continued)

- (3) The construction services provided by the Group are mainly identified as single performance obligation and met the criteria of performance obligation performed over time. As at 31 December 2024, for the construction services in progress, the transaction prices allocated to their unsatisfied (including partially unsatisfied) performance obligations are based on their performance progress over the relevant construction contract periods and would be recognised as revenue based on their performance progress in future construction contract periods.

49. Taxes and surcharges

<i>RMB'000</i>		
Item	2024	2023
City maintenance and construction tax	846,679	909,365
Stamp duty	700,038	757,983
Property tax	385,370	344,722
Others	1,697,284	2,284,867
Total	3,629,371	4,296,937

50. Selling and distribution expenses

<i>RMB'000</i>		
Item	2024	2023 (restated)
Employee compensation costs	3,261,602	3,738,136
Advertising and publicity expenses	2,199,711	2,532,831
Others	1,374,813	1,040,935
Total	6,836,126	7,311,902

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. General and administrative expenses

RMB'000

Item	2024	2023
Employee compensation costs	16,185,207	16,903,494
Office, travelling and transportation expenses	1,183,750	1,339,171
Depreciation expenses of fixed assets	967,000	969,772
Others	3,992,644	4,253,881
Total	22,328,601	23,466,318

In 2024, the amount of total service fees of audit and other services included in above general and administrative expenses was RMB40,875,000.

52. Research and development expenses

RMB'000

Item	2024	2023
Employee compensation costs and material costs	25,713,270	26,725,454

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Finance costs

RMB'000

Item	2024	2023
Interest expenses	15,646,941	13,793,999
Less: Interest income	3,767,214	4,216,238
Less: Interest capitalised	6,011,684	6,334,909
Exchange gains	(392,061)	(837,118)
Bank charges and others	2,470,316	2,255,715
Total	7,946,298	4,661,449

The amount of capitalised interest had been included in the balances of properties under development (Note V. 8 (1)), construction in progress (Note V. 20) and intangible assets (Note V. 22), etc.

54. Impairment losses on assets

RMB'000

Item	2024	2023
Losses from decline in value of inventories	(1,970,918)	(1,515,614)
Losses from impairment of contract assets	(663,755)	(1,611,709)
Losses from impairment of intangible assets	(228,905)	(112,459)
Losses from impairment of goodwill	(5,855)	(113,242)
Others	(168,606)	(108,163)
Total	(3,038,039)	(3,461,187)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Impairment of credit losses

RMB'000

Item	2024	2023
Losses from impairment of receivables	(6,068,709)	(6,471,159)
Reversal of impairment/(losses from impairment) on loans to customers	10,481	(8,885)
Total	(6,058,228)	(6,480,044)

56. Other income

RMB'000

Item	2024	2023
Government grants relating to daily operations	523,620	795,995
Others	217,496	158,639
Total	741,116	954,634

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Investment losses

	RMB'000	
Item	2024	2023
Share of (losses)/profits of long-term equity investments under the equity method	(380,154)	564,987
Investment income from disposal of long-term equity investments	77,209	199,416
Losses from derecognition of financial assets measured at amortised cost	(1,808,684)	(5,563,839)
Investment income from holding other equity instruments	153,800	116,607
Investment income from holding and disposal of held-for-trading financial assets and other financial assets	299,016	243,559
Investment income from holding debt investment	160,651	194,554
Others	202,425	14,751
Total	(1,295,737)	(4,229,965)

58. Losses on fair value changes

	RMB'000	
Item	2024	2023
Financial assets and liabilities at fair value through profit or loss	(1,466,842)	(643,564)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Non-operating income

RMB'000

Item	2024	2023	Non-recurring profit or loss of the year
Government grants	72,365	87,370	72,365
Approved unpayable balances	320,826	268,931	320,826
Gains on compensation, penalties and fines	335,776	298,632	335,776
Others	220,875	325,818	220,875
Total	949,842	980,751	949,842

Government grants credited to profit or loss for the period are listed as follows:

RMB'000

Nature	2024	2023	Related to assets/income
Enterprise development and support funds	252,253	429,598	Related to assets/income
Refund of taxes	54,333	211,557	Related to income
Others	289,399	242,210	Related to assets/income
Total	595,985	883,365	–
Including: Other income	523,620	795,995	–
Non-operating income	72,365	87,370	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Non-operating expenses

RMB'000

Item	2024	2023	Non-recurring profit or loss of the year
Loss on compensation, penalties and fines	516,126	482,924	516,126
Donations	68,261	49,001	68,261
Others	173,973	214,383	173,973
Total	758,360	746,308	758,360

61. Costs and expenses classified by nature

Supplementary information of the Group's costs of sales, selling and distribution expenses, general and administrative expenses, research and development expenses categorised by nature is listed as follows:

RMB'000

Item	2024	2023
Cost of services rendered	771,801,557	821,241,816
Cost of goods sold	108,683,797	123,046,529
Employee benefits (Note V. 31)	80,707,614	82,397,577
Depreciation expenses on fixed assets (Note V. 19)	18,564,870	17,160,631
Depreciation expenses on right-of-use assets (Note V. 21)	2,676,504	2,221,992
Amortisation expenses on intangible assets (Note V. 22)	2,020,276	1,595,989
Depreciation expenses on investment properties (Note V. 18)	364,200	327,347

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Income tax expenses

Item	RMB'000	
	2024	2023
Current tax expenses – Mainland China	6,054,799	8,102,851
Current tax expenses – Others	277,820	216,404
Deferred tax expenses	(936,287)	(1,819,832)
Total	5,396,332	6,499,423

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Income tax expenses (Continued)

A reconciliation of the income tax expense applicable to profit before tax is listed as follows:

RMB'000

Item	2024	2023
Profit before tax	32,474,709	38,828,152
Income tax at the statutory income tax rate of 25%	8,118,677	9,707,038
Tax effect of preferential tax rates for some subsidiaries	(1,869,197)	(2,261,826)
Tax effect of share of profits and losses of joint ventures and associates	10,032	(141,247)
Effect of non-taxable income	(350,346)	(247,275)
Effect of non-deductible expenses	258,949	346,636
Effect of utilisation of deductible tax losses previously not recognised	(304,050)	(413,117)
Effect of utilisation of deductible temporary differences previously not recognised	(232,379)	(182,790)
Tax preference for qualifying research and development expenses	(1,711,793)	(1,824,195)
Effects of deductible losses as deferred tax assets not recognised in the current year	1,582,039	1,553,645
Deductible temporary differences not recognised as deferred tax assets	861,288	775,680
Adjustments in respect of current income tax of previous periods	(52,044)	(30,022)
Effect of changes in tax rate	(124,652)	(615)
Interest on perpetual bonds deductible before tax	(753,599)	(765,238)
Others	(36,593)	(17,251)
Income tax expense at the Group's effective tax rate	5,396,332	6,499,423

The income tax of the Group which shall be paid in Chinese mainland is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other regions is calculated at the statutory tax rate according to existing laws, interpretations and practices of the country or jurisdiction in which the Group operates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Earnings per share

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the year.

RMB'000

Item	2024	2023
Earnings		
Net profit attributable to shareholders of the Company	22,215,074	26,096,971
Including: Profit or loss from continuing operations	22,215,074	26,096,971
Less: Attributable to holder of other equity instruments (Note V. 47)	2,436,579	2,547,999
Net profit attributable to ordinary shareholders	19,778,495	23,548,972
Shares		
Number of the outstanding ordinary shares of the Company	13,579,541,500	13,579,541,500
Basic earnings per share (RMB/share)	1.46	1.73
Diluted earnings per share (RMB/share)	1.46	1.73

64. Notes to items in the statement of cash flows

RMB'000

Item	2024	2023
(1) Cash received from other operating activities:		
Income from sales of raw materials	2,705,790	2,857,022
Recovery of loans for cooperative development project	4,123,670	3,181,204
Security deposit and cash pledged	465,684	2,547,809
Others	8,493,800	16,535,524
Total	15,788,944	25,121,559

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Notes to items in the statement of cash flows (Continued)

RMB'000

Item	2024	2023
(2) Cash paid for other operating activities:		
Advertising and publicity expenses	2,199,711	2,532,831
Office and travelling expenses	1,780,160	1,801,488
Repair and maintenance costs	454,558	491,775
Others	20,112,987	12,504,205
Total	24,547,416	17,330,299

RMB'000

Item	2024	2023
(3) Cash received from other investment activities:		
Recovery of financing projects amounts	681,737	1,676,184
Net cash received from acquisitions of subsidiaries	—	227,374
Total	681,737	1,903,558

RMB'000

Item	2024	2023
(4) Cash paid for other financing activities:		
Cash paid from redemption of other equity instruments	11,800,000	7,700,000
Cash paid for lease liabilities	2,722,000	2,490,489
Cash paid from acquisition of non-controlling interests	17,180,686	370,788
Others	911,972	379,931
Total	32,614,658	10,941,208

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Notes to items in the statement of cash flows (Continued)

Changes in various liabilities arising from financing activities are as follows:

RMB'000

Item	1 January 2024	Increase		Decrease		31 December 2024
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term loans	81,839,758	335,907,157	5,418,873	272,964,761	58,334	150,142,693
Long-term loans (including current portion of long-term loans)	197,826,997	120,444,161	46,982,675	83,814,427	53,270	281,386,136
Bonds payable (including current portion of bonds payable)	43,205,227	16,275,000	1,474,716	8,633,725	–	52,321,218
Lease liabilities (including current portion of lease liabilities)	6,186,880	–	4,055,435	2,722,000	1,068,190	6,452,125
Long-term payables (relating to financing)	2,760,324	1,985,696	57,654	911,972	485,000	3,406,702
Other payables (relating to financing)	3,893,940	8,936,356	234,809	234,809	7,505,985	5,324,311
Other payables (dividends payable)	1,137,603	–	11,233,629	11,075,164	–	1,296,068
Other current liabilities (short-term commercial paper)	–	1,999,797	11,927	–	–	2,011,724
Total	336,850,729	485,548,167	69,469,718	380,356,858	9,170,779	502,340,977

Significant activities and financial impacts that do not involve cash inflows and outflows in the current year but affect the financial position of the Company or may affect the cash flows of the Company in the future:

RMB'000

Item	2024	2023
Increase in right-of-use assets	3,638,498	4,567,234
Total	3,638,498	4,567,234

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the statement of cash flows

	2024	2023
Reconciliation of net profit to cash flows generated from operating activities:		
Net profit	27,078,377	32,328,729
Add: Impairment losses on assets	3,038,039	3,461,187
Impairment of credit losses	6,058,228	6,480,044
Depreciation of fixed assets	18,564,870	17,160,631
Depreciation of right-of-use assets	2,676,504	2,221,992
Amortisation of intangible assets	2,020,276	1,595,989
Amortisation of investment properties	364,200	327,347
Amortisation of long-term prepayments	415,358	448,130
Gains from retirement and disposal of fixed assets, intangible assets and other long-term assets	(208,399)	(602,843)
Losses on fair value changes	1,466,842	643,564
Finance costs	8,243,094	5,847,661
Investment income	(203,774)	(1,319,224)
Increase in deferred tax assets	(933,866)	(2,091,453)
(Decrease)/increase in deferred tax liabilities	(2,421)	271,621
Decrease/(increase) in inventories	19,555,516	(9,339,880)
Increase in contract assets	(13,143,162)	(38,683,930)
Increase in operating receivables	(137,710,729)	(46,233,193)
Increase in operating payables	32,081,885	47,571,283
(Increase)/decrease in the deposits with the central bank	(784,670)	324,393
Net cash flows (used in)/generated from operating activities	(31,423,832)	20,412,048

RMB'000

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Supplementary information to the consolidated statement of cash flows (Continued)

- (1) Supplementary information to the statement of cash flows (Continued)

Net changes in cash and cash equivalents:

RMB'000

Item	2024	2023
Cash at the end of the year	161,550,931	150,866,988
Less: Opening balance of cash	150,866,988	140,774,045
Add: Closing balance of cash equivalents	5,820,689	1,770,789
Less: Opening balance of cash equivalents	1,770,789	3,741,447
Net increase in cash and cash equivalents	14,733,843	8,122,285

- (2) Net cash paid for acquisition of subsidiaries this year

RMB'000

Item	31 December 2024
Cash or cash equivalents paid for business combination in the year	2,483,784
Less: Cash and cash equivalents held by subsidiaries at acquisition date	990,856
Net cash paid for acquisition of subsidiaries	1,492,928

- (3) Cash and cash equivalents

RMB'000

Item	31 December 2024	31 December 2023
Cash	161,550,931	150,866,988
Including: Cash on hand	57,041	66,019
Cash with banks/financial institutions without restriction	161,493,890	150,800,969
Cash equivalents	5,820,689	1,770,789
Closing balance of cash and cash equivalents	167,371,620	152,637,777

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Assets with title restrictions

RMB'000

Item	31 December 2024	31 December 2023	Reason
Intangible assets	88,986,523	44,838,636	Pledged for loans/ Mortgaged for loans
Inventories	67,381,882	45,687,542	Mortgaged for loans
Contract assets	26,337,133	14,856,837	Pledged for loans
Cash and bank balances	16,359,789	13,060,657	Note
Long-term receivables	10,269,134	5,435,799	Pledged for loans
Trade receivables	3,090,368	9,619,878	Pledged for loans
Investment properties	2,729,706	–	Mortgaged for loans
Fixed assets	2,160,613	2,955,270	Mortgaged for loans
Construction in progress	995,298	3,030,237	Mortgaged for loans
Total	218,310,446	139,484,856	–

Note: As at 31 December 2024, the Group held frozen deposits of RMB6,635,690,000 (31 December 2023: RMB4,922,015,000). The residual amount of RMB4,480,431,000 (31 December 2023: RMB3,679,644,000) was comprised of several kinds of deposits. CRCC Finance Company Limited placed RMB5,243,668,000 (31 December 2023: RMB4,458,998,000) in the central bank as statutory reserves.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Foreign currency monetary items

31 December 2024:

RMB'000

Item	Closing balance of foreign currencies (‘000)	Exchange rate	Closing balance in RMB
Cash and bank balances			7,697,244
Including: U. S. Dollar	524,895	7.1884	3,773,157
Euro	341,436	7.5257	2,569,547
MOP	411,772	0.8985	369,965
HKD	345,543	0.9260	319,987
Others			664,588
Trade receivables			2,628,941
Including: U. S. Dollar	255,698	7.1884	1,838,061
Others			790,880
Other receivables			123,790
Including: THB	156,378	0.2126	33,246
Others			90,544
Trade payables			1,684,897
Including: U. S. Dollar	81,264	7.1884	584,157
DZD	8,356,546	0.0537	449,062
Others			651,678
Other payables			162,996
TZS	15,582,631	0.0030	46,946
Others			116,050
Short-term loans			3,707,706
Including: U. S. Dollar	111,000	7.1884	797,912
Euro	384,000	7.5257	2,889,869
Others			19,925
Long-term loans (including long-term loans due within one year)			208,913
Including: Euro	23,660	7.5257	178,061
Others			30,852
Bonds payable (including current portion of bonds payable)			2,267,253
Including: Euro	301,268	7.5257	2,267,253

Note: The Group's main operating location is Mainland China and overseas markets are spread in over 100 countries and regions. There are no individually material foreign operations, and the foreign operations determine the functional currency according to the currency of the principal economic environment in which they operate. The Company, the subsidiaries, and the foreign operations determined the foreign currency monetary items mentioned above in accordance with their functional currencies respectively.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VI. CHANGES OF CONSOLIDATION SCOPE

1. Business combinations not involving enterprises under common control

The Group acquired several entities through business combination not under common control, including Sichuan Langying Highway Co., Ltd. and Xuanwei Jingyuan Environmental Protection Co., Ltd. etc. and so they were included in the consolidation scope of the Group. The individual amount of these subsidiaries' assets, liabilities, operating income etc. was not material at the acquisition date. Upon the completion of transaction, the Group's total assets increased of RMB24,122,715,000 and the Group's total liabilities increased of RMB22,465,765,000.

2. Disposal of subsidiaries

In 2024, the entities that are no longer included in the consolidation scope due to disposal of subsidiaries or other reasons are immaterial and therefore are not listed here.

3. Others

The Group acquired assets through acquisition of subsidiaries and included Guizhou Jianli Highway Co., Ltd. and Chongqing Yonglu Expressway Co., Ltd., etc. in the scope of consolidation. The individual amounts of these subsidiaries' assets, liabilities, revenue, etc. were not material at the acquisition date. Upon the completion of transaction, the Group's total assets increased by RMB20,418,317,000 and the Group's total liabilities increased by RMB19,003,611,000.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

- (1) Particulars of the principal subsidiaries of the Company are listed as follows:

Subsidiaries acquired through establishment or investment

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Civil Engineering Construction Corporation	Beijing	Beijing	Construction	3,000,000	100.00	–
China Railway 11th Bureau Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction	6,162,382	81.62	–
China Railway 12th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	5,060,677	100.00	–
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,200,000	100.00	–
China Railway 14th Bureau Group Co., Ltd.	Jinan, Shandong	Jinan, Shandong	Construction	3,391,534	79.02	–
China Railway 15th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	3,000,000	100.00	–
China Railway 16th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	4,400,000	100.00	–
China Railway 17th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	3,021,226	100.00	–
China Railway 18th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,523,404	80.30	–
China Railway 19th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	5,080,000	100.00	–
China Railway 20th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	3,385,831	70.41	–
China Railway 21st Bureau Group Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Construction	2,038,000	100.00	–
China Railway 22nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	2,000,000	100.00	–
China Railway 23rd Bureau Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Construction	2,000,000	100.00	–
China Railway 24th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	2,000,000	100.00	–
China Railway 25th Bureau Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction	2,000,000	100.00	–
China Railway First Survey and Design Institute Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Plan, design and consultancy	1,030,000	100.00	–
China Railway SIYUAN Survey and Design Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Plan, design and consultancy	1,052,500	100.00	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(1) Particulars of the principal subsidiaries of the Company are listed as follows: (Continued)

Subsidiaries acquired through establishment or investment (Continued)

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Railway Construction Group Co., Ltd.	Beijing	Beijing	Construction	3,502,971	85.64	–
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	3,800,000	100.00	–
China Railway Material Group Co., Ltd.	Beijing	Beijing	Purchase and sales of goods and materials	3,009,360	100.00	–
CRCC High-Tech Equipment Corporation Limited	Kunming, Yunnan	Kunming, Yunnan	Manufacturing operations	1,519,884	63.70	1.30
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development and operation	7,000,000	100.00	–
China Railway Construction Heavy Industry Corporation Limited	Changsha, Hunan	Changsha, Hunan	Manufacturing operations	5,333,497	71.93	0.36
China Railway Construction Investment Group Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Project investment, Construction	12,067,086	87.34	–
CRCC Finance Company Limited	Beijing	Beijing	Financial services	9,000,000	94.00	–
China Railway Construction Corporation (International) Limited	Beijing	Beijing	Construction	3,012,500	100.00	–
CRCC Capital Holdings Group Co., Ltd.	Beijing	Beijing	Financial services	9,000,000	100.00	–
China Railway Urban Construction Group Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction	2,789,839	71.69	–
CRCC Kunlun Investment Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Project investment, Construction	5,087,166	70.77	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:

31 December 2024:

RMB'000

Subsidiary	Shareholding proportion (%)	Net profit or loss attributable to non-controlling interests	Dividends distributed to non-controlling shareholders	Accumulated balances of non-controlling interests at the reporting date
China Railway Construction Investment Group Co., Ltd. (Note)	12.66	718,986	629,547	18,992,708
CRCC Kunlun Investment Group Co., Ltd.	29.23	209,469	596,784	9,746,266
China Railway 14th Bureau Group Co., Ltd. (Note)	20.98	282,742	323,475	6,233,582
China Railway Construction Heavy Industry Corporation Limited	27.71	418,221	133,516	4,886,294
China Railway Construction Group Co., Ltd.	14.36	228,299	222,085	4,326,238

Note: The mentioned above subsidiaries issued financial instruments, such as outstanding renewable corporate bonds and medium-term notes, which are recognised in other equity instruments and presented under the line item of “non-controlling interests” in the consolidated balance sheet of the Group. The shareholding proportion of minority shareholders of these subsidiaries represents the proportion of equity interests held by minority shareholders other than holders of other equity instruments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (Continued)

RMB'000

Subsidiary			31 December 2024			
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	30,748,871	167,383,709	198,132,580	66,285,202	92,199,199	158,484,401
CRCC Kunlun Investment Group Co., Ltd.	23,538,781	101,796,570	125,335,351	53,659,011	44,387,386	98,046,397
China Railway 14th Bureau Group Co., Ltd.	67,766,785	38,375,133	106,141,918	84,394,715	6,389,947	90,784,662
China Railway Construction Heavy Industry Corporation Limited	16,508,439	10,203,406	26,711,845	7,555,880	1,578,871	9,134,751
China Railway Construction Group Co., Ltd.	89,728,522	25,245,752	114,974,274	88,604,921	12,384,665	100,989,586

RMB'000

Subsidiary			31 December 2023			
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	27,466,494	145,595,839	173,062,333	57,446,884	75,721,101	133,167,985
CRCC Kunlun Investment Group Co., Ltd.	26,720,774	59,673,231	86,394,005	46,125,857	15,070,541	61,196,398
China Railway 14th Bureau Group Co., Ltd.	60,527,532	33,020,417	93,547,949	72,369,906	5,124,224	77,494,130
China Railway Construction Heavy Industry Corporation Limited	14,897,761	10,543,232	25,440,993	7,750,542	1,135,651	8,886,193
China Railway Construction Group Co., Ltd.	93,434,009	20,348,024	113,782,033	86,244,870	13,130,657	99,375,527

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows (Continued):

RMB'000

Subsidiary	2024			Net cash flows generated from operating activities
	Revenue	Net profit	Total comprehensive income	
China Railway Construction Investment Group Co., Ltd.	38,608,763	798,519	1,204,174	1,384,406
CRCC Kunlun Investment Group Co., Ltd.	35,992,819	845,893	845,893	3,815,797
China Railway 14th Bureau Group Co., Ltd.	80,901,299	1,341,701	1,341,701	(4,044,423)
China Railway Construction Heavy Industry Corporation Limited	10,046,044	1,508,201	1,502,809	2,044,584
China Railway Construction Group Co., Ltd.	63,001,288	557,433	565,715	(2,853,443)

RMB'000

Subsidiary	2023			Net cash flows generated from operating activities
	Revenue	Net profit	Total comprehensive income	
China Railway Construction Investment Group Co., Ltd.	53,271,917	3,064,906	3,109,388	3,514,471
CRCC Kunlun Investment Group Co., Ltd.	58,465,857	3,579,939	3,586,095	6,983,890
China Railway 14th Bureau Group Co., Ltd.	83,522,921	1,518,340	1,518,340	3,417,169
China Railway Construction Heavy Industry Corporation Limited	10,027,467	1,593,863	1,602,232	703,533
China Railway Construction Group Co., Ltd.	84,070,074	508,382	505,804	1,382,411

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

- (3) As at 31 December 2024, the information of financial instruments involved in equity, such as the renewable corporate bonds, medium-term notes publicly and perpetual bonds issued by the several subsidiaries, is listed as follows:

RMB'000

Subsidiary	Amount
China Railway Construction Investment Group Co., Ltd.	9,893,615
China Railway Construction Asset Management Co., Ltd.	3,500,000
China Railway 11th Bureau Group Co., Ltd.	2,496,500
China Railway 14th Bureau Group Co., Ltd.	2,100,000

As at 31 December 2024, the information of financial liabilities, such as corporate bonds and medium-term notes publicly issued by several subsidiaries is detailed in Notes V. 37.

2. Equity in joint ventures and associates

Principal joint ventures or associates

Name of principal joint ventures or associates	Principal place of business	Place of registration	Principal activities	Shareholding proportion %		Measurement of joint ventures and associates
				Direct	Indirect	
Sichuan Chengmian Cangba Expressway Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Highway Project Construction & Management	39.5	–	Equity method
Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Investment in Rail Transit Construction	54.4	–	Equity method
CRCC-Tongguan Investment Co., Ltd.	Tongling, Anhui	Tongling, Anhui	Mining investment & mine development technical services	30.0	–	Equity method
CRCC Financial Leasing Co., Ltd.	Tianjin	Tianjin	Finance Lease	50.0	–	Equity method

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

Major financial information of principal joint ventures

RMB'000

	31 December 2024/For the year ended 31 December 2024		31 December 2023/For the year ended 31 December 2023	
	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.
Current assets	3,511,682	5,355,992	3,251,815	4,980,066
Including: Cash and cash equivalents	431,948	409,203	654,972	947,193
Non-current assets	49,316,898	17,713,090	42,210,877	18,654,809
Total assets	52,828,580	23,069,082	45,462,692	23,634,875
Current liabilities	1,353,819	3,583,644	1,111,391	3,621,965
Non-current liabilities	40,380,895	12,834,497	33,964,750	13,161,977
Total liabilities	41,734,714	16,418,141	35,076,141	16,783,942
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the Company	11,093,866	6,650,941	10,386,551	6,850,933
The net assets multiplied by the shareholding proportion	4,382,077	3,618,112	4,102,688	3,726,908
Adjustment event				
– Others	1,044	158,067	(10)	178,680
Carrying amount of investments in the joint ventures attributable to the Group	4,383,121	3,776,179	4,102,678	3,905,588
Revenue	1,425	307,681	120	337,764
Finance costs	553,960	(362,408)	(20)	(312,048)
Income tax expenses	115	(53,894)	314	(32,830)
Net (loss) profit	(683,122)	5,008	(206)	140,279
Other comprehensive income	–	–	–	–
Total comprehensive income	(683,122)	5,008	(206)	140,279
Dividends from joint ventures for the year	–	132,133	–	132,455

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

Major financial information of principal associates

RMB'000

	31 December 2024/For the year ended 31 December 2024		31 December 2023/For the year ended 31 December 2023	
	CRCC-Tongguan Investment Co., Ltd.	CRCC Financial Leasing Co., Ltd.	CRCC-Tongguan Investment Co., Ltd.	CRCC Financial Leasing Co., Ltd.
Total assets	19,723,106	41,669,857	18,769,055	43,017,472
Total liabilities	8,637,510	34,462,422	9,277,135	36,192,424
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the Company	11,085,596	7,207,435	9,491,920	6,825,048
The net assets multiplied by the shareholding proportion	3,325,679	3,603,718	2,847,576	3,412,524
Adjustment event				
– Unrealised profits of intra-group transactions	–	(338,241)	–	(251,416)
– Others	(2,751)	2,480	(37,077)	2,404
Carrying amount of investments in the associates attributable to the Group	3,322,928	3,267,957	2,810,499	3,163,512
Revenue	8,027,487	3,445,408	8,016,492	3,431,498
Finance costs	186,907	1,257	367,629	1,805
Income tax expenses	947,741	132,214	1,076,948	188,359
Net profit	1,487,129	382,541	1,789,642	422,584
Other comprehensive income	106,547	(154)	280,219	–
Total comprehensive income	1,593,676	382,387	2,069,861	422,584
Dividends from associates for the year	–	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

The aggregate financial information of the individually insignificant joint ventures:

RMB'000

Item	31 December 2024	31 December 2023
Shares of net profit of the joint ventures attributable to the Group	(674,823)	(902,607)
Shares of other comprehensive income of the joint ventures attributable to the Group	(3,887)	90,678
Shares of total comprehensive income of the joint ventures attributable to the Group	(678,710)	(811,929)
Carrying amount of investments in the joint ventures attributable to the Group	56,434,323	56,903,672

The aggregate financial information of the individually insignificant associates:

RMB'000

Item	31 December 2024	31 December 2023
Shares of net profit of the associates attributable to the Group	(73,298)	717,317
Shares of other comprehensive income of the associates attributable to the Group	(3,961)	(5,470)
Shares of total comprehensive income of the associates attributable to the Group	(77,259)	711,847
Carrying amount of investments in the associates attributable to the Group	82,799,892	78,392,408

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

3. Equity in structured entities that have not been merged into the consolidated financial statements

As at 31 December 2024, the scale of major structured entities that the Group participated in and that were not included in the consolidated financial statements totalled approximately RMB43,969,089,000 (31 December 2023: RMB46,245,930,000). Among them, the subscription amount of the Group was approximately RMB14,962,251,000 (31 December 2023: RMB14,284,056,000) and that of other investors was approximately RMB29,006,838,000 (31 December 2023: RMB31,961,874,000). The Group has no control over this category of structured entity, so the structured entities have not been merged into the consolidated financial statements. As at 31 December 2024, the actual subscription amount paid by the Group was approximately RMB7,838,503,000 (31 December 2023: RMB6,181,649,000), which was accounted in other non-current financial assets. The Group's largest risk exposure in these structured entities is the amount of capital contributed by the Group as of the balance sheet date. The Group has no obligation or intention to provide financial support to the structured entities.

As at 31 December 2024, the Group's cumulative issuance amount of asset-backed securities was RMB81,150,000,000 (31 December 2023: RMB89,034,000,000). The subordinated tranche of the asset-backed securities was RMB4,242,800,000 (31 December 2023: RMB4,449,800,000). On 31 December 2024, the subordinated tranche of asset-backed securities held by the Group was RMB983,500,000 (31 December 2023: RMB1,036,650,000), of which RMB404,000,000 (31 December 2023: RMB230,850,000) was accounted in held-for-trading financial assets and RMB579,500,000 (31 December 2023: RMB805,800,000) was accounted in other non-current financial assets. As for asset-backed securities issued by the Group, it promises to, upon issuance of some asset-backed securities, provide paid temporary liquidity support for the principal of priority asset-backed securities and the difference between the expected returns and the distributable funds for each period of the asset-backed securities special plan, but the Group did not provide such support for some asset-backed securities upon their issuance. The Group assesses that the possibility of triggering liquidity support in the future is minimal.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

1. Financial instruments by category

The carrying amounts of each category of financial instruments at the balance sheet date are as follows:

31 December 2024:

Financial assets

RMB'000

Item	Classified as financial assets at FVTOCI	Designated as financial assets at FVTOCI	Financial assets at FVTPL	Financial assets measured at amortised cost	Total
Bills receivable	-	-	-	3,225,444	3,225,444
Trade receivables	-	-	-	204,759,238	204,759,238
Receivables at FVTOCI	1,644,048	-	-	-	1,644,048
Loans and advances to customers	-	-	-	1,140,201	1,140,201
Other receivables (excluding petty cash)	-	-	-	65,249,035	65,249,035
Other current assets	4,968,995	-	-	5,019,247	9,988,242
Long-term receivables	-	-	-	142,506,358	142,506,358
Cash and bank balances	-	-	-	185,703,115	185,703,115
Held-for-trading financial assets	-	-	1,533,116	-	1,533,116
Debt investments	-	-	-	3,881,575	3,881,575
Other equity instrument investments	-	13,167,797	-	-	13,167,797
Other non-current financial assets	-	-	11,376,122	-	11,376,122
Current portion of non-current assets	-	-	-	22,542,952	22,542,952
Total	6,613,043	13,167,797	12,909,238	634,027,165	666,717,243

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amounts of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2024: (Continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	150,142,693	150,142,693
Due to customers	2,051,298	2,051,298
Bills payable	41,316,625	41,316,625
Trade payables	512,813,640	512,813,640
Other payables	120,304,020	120,304,020
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	73,925,069	73,925,069
Other current liabilities	2,378,224	2,378,224
Long-term loans	235,062,620	235,062,620
Bonds payable	32,720,483	32,720,483
Long-term payables (excluding special payables)	49,538,878	49,538,878
Other non-current liabilities (continuing involvement in liabilities)	572,500	572,500
Total	1,220,826,050	1,220,826,050

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amounts of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2023:

Financial assets

RMB'000

Item	Classified as financial assets at FVTOCI	Designated as financial assets at FVTOCI	Financial assets at FVTPL	Financial assets measured at amortised cost	Total
Bills receivable	-	-	-	3,229,041	3,229,041
Trade receivables	-	-	-	155,809,067	155,809,067
Receivables at FVTOCI	2,723,520	-	-	-	2,723,520
Loans and advances to customers	-	-	-	1,686,305	1,686,305
Other receivables (excluding petty cash)	-	-	-	56,390,029	56,390,029
Other current assets	-	-	-	3,025,640	3,025,640
Long-term receivables	-	-	-	109,859,078	109,859,078
Cash and bank balances	-	-	-	166,957,837	166,957,837
Held-for-trading financial assets	-	-	1,629,785	-	1,629,785
Debt investments	-	-	-	6,016,176	6,016,176
Other debt investments	5,115,845	-	-	-	5,115,845
Other equity instrument investments	-	12,575,571	-	-	12,575,571
Other non-current financial assets	-	-	10,287,149	-	10,287,149
Current portion of non-current assets	6,963,058	-	-	15,035,191	21,998,249
Total	14,802,423	12,575,571	11,916,934	518,008,364	557,303,292

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (Continued)

The carrying amounts of each category of financial instruments at the balance sheet date are as follows: (Continued)

31 December 2023: (Continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	81,839,758	81,839,758
Due to customers	1,356,691	1,356,691
Bills payable	53,461,242	53,461,242
Trade payables	491,567,214	491,567,214
Other payables	106,058,137	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	52,111,844	52,111,844
Other current liabilities (continuing involvement in liabilities)	230,850	230,850
Long-term loans	165,621,478	165,621,478
Bonds payable	31,031,549	31,031,549
Long-term payables (excluding special payables)	41,052,575	41,052,575
Other non-current liabilities (continuing involvement in liabilities)	798,800	798,800
Total	1,025,130,138	1,025,130,138

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. Transfer of financial assets

Transferred financial assets that are derecognised in their entirety but continuously involved

As at 31 December 2024, the Group had endorsed or discounted bank acceptance bills which are not yet due amounting to RMB1,853,970,000 (31 December 2023: RMB2,272,750,000). As at 31 December 2024, for bills within 12 months, if acceptance banks dishonoured the bills, endorsees shall have the right to turn to the Group for recourse according to the Law of Bill. The Group considered the risks and rewards of the bills had been transferred. Therefore, the Group had derecognised the related bills receivable and trade payables that had been settled by the bills. The undiscounted cash flows and maximum losses of continuing involvement and repurchase equalled to the book value of the bills. The Group considered the fair value of continuing involvement to be not significant.

In 2024, the Group did not recognise any profit or loss at the date of transfer. The Group had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognised. The endorsement or discount happens evenly throughout the year.

Transferred financial assets that are not derecognised in their entirety

In 2024, the Group sold underlying assets to the assets-backed specific plan which set up by the financial institute who are also the managers of the assets-backed specific plan. The manager represented the assets-backed specific plan to issue senior assets-backed securities and subordinate assets-backed securities to investors. The Group holds some portion of the subordinate assets-backed securities. Meanwhile, the Group acts as a receivables service provider to provide management services associated with receivables and their collection, contracts revision and other services to the assets-backed specific plan.

As the Group has restriction in the ability of guiding the operations of assets-backed specific plan, resulting in the degree which the Group using substantial rights to influence to obtain variable returns limited, the Group does not need to consolidate the assets-backed specific plan. Meanwhile, the Group has neither transferred nor retained substantially all the risks and rewards of the underlying assets ownership, and it retained control of the underlying assets transferred, the Group recognised the asset and associated liability to the extent of its continuing involvement in the transferred asset.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks

The Group's major financial instruments include loans, due to customers, bonds, and other equity instruments, etc. The purpose of these financial instruments is to support daily operations of the Group. The Group also has various financial assets and liabilities arising from operation, such as cash and bank balances, bills receivable, trade receivables, receivables at FVTOCI, other receivables, long-term receivables, bills payable, trade payables, other payables and long-term payables.

The major risks from the Group's financial instruments are credit risk, liquidity risk and market risk. The management will hold meetings at least four times a year to analyse and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from management. Generally, the Group introduces conservative strategies in risk management. As these risks for the Group are kept at a low level, the Group does not use any derivative instrument and other instruments to hedge these risks in the whole year.

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the balances and collection of trade receivables, contract assets and long-term receivables are monitored on an ongoing basis to ensure that the Group's exposure to credit loss is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group. Besides, the Group reviews collections of financial assets at each balance sheet date to ensure sufficient provisions for estimated credit loss have been made for relevant financial assets.

Other financial assets of the Group include cash and bank balances, bills receivable, receivables at FVTOCI, other receivables, debt investments, other debt investments and loans and advances to customers. Credit risk of such financial assets is resulted from defaults of counterparties. The largest risk exposure equals to the carrying amount of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in Note XI. 3 to the financial statements. Substantially all of the Group's cash and bank balances are held in major financial institutions located in the PRC, which management believes are of high credit quality. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limit the amount of credit exposure to any single financial institution.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

The Group adopts the provision matrix based on portfolio to assess the credit losses of trade receivables, except for trade receivables that are individually significant and credit-impaired. The Group's trade receivables involve a large number of customers. Customer type and aging information may reflect these customers' solvency in regard of such trade receivables. The Group's management classifies the trade receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on credit risk characteristics. The Group calculates the historical actual loss rate by different customer types and different aging periods based on historical data and, through regression analysis, determines the relationship between the historical actual loss rate and economic indicators, such as GDP growth, CPI. Based on the forecasted future relevant economic indicators, the Group estimates the credit loss rates. The Group's management classifies contract assets and long-term receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on their credit risk characteristics expect for contract assets or long-term receivables that are individually significant and credit-impaired. On the basis of the historical actual loss rate, the Group takes account of forward-looking information mentioned above and then determines the credit loss rates and provision matrix to evaluate ECL of contract assets and long-term receivables. Except for other receivables that are individually significant and are credit impaired, the Group assesses them individually for credit losses. The Group classifies the other receivables into different portfolios (including related parties and other external units which are taken nature of amounts into comprehensive accounts) based on credit risk characteristics of different types of customers. The Group assesses the expected credit loss of other receivables based on historical actual loss rate and considering the expected loss rate and impairment matrix after adjusting above looking-forward information.

For trade receivables, contract assets and long-term receivables that are individually significant and credit-impaired, the Group made separate credit loss assessment on individual basis. Based on the credit-impaired evidence and forward-looking information, the Group determines the expected credit loss by the difference between carrying amounts of these financial assets and the present value discounted by the original effective interest rate of expected cash flows.

For other financial assets, the Group calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2024, the credit risk exposure and ECL of trade receivables are disclosed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2024	192,577,047	32,626,838	225,203,885

	Allowance for credit losses		
	Not credit impaired	Credit impaired	Total
1 January 2024	6,203,996	11,834,741	18,038,737
Transferred to credit-impaired	(271,966)	271,966	–
Provision for the year	2,550,343	2,128,611	4,678,954
Reversal for the year	(1,241,643)	(401,107)	(1,642,750)
Write-off for the year	–	(7,229)	(7,229)
Others	(107,167)	(515,898)	(623,065)
31 December 2024	7,133,563	13,311,084	20,444,647

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

The movements of impairment losses for contract assets for the year ended 31 December 2024 are listed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2024	286,525,875	24,426,629	310,952,504

	Provision for impairment of assets		
	Not credit impaired	Credit impaired	Total
1 January 2024	1,689,238	6,359,023	8,048,261
Transferred to credit-impaired	(38,446)	38,446	—
Provision for the year	538,790	576,896	1,115,686
Reversal for the year	(495,642)	(444,404)	(940,046)
Write-off for the year	—	(2,506,572)	(2,506,572)
Others	(768)	486,317	485,549
31 December 2024	1,693,172	4,509,706	6,202,878

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2024, the credit risk exposure and ECL of long-term receivables (including current portion of long-term receivables) generated from transactions scoped in ASBE No. 14 are disclosed as follows:

RMB'000

	Gross carrying amount		
	Not credit impaired	Credit impaired	Total
31 December 2024	125,650,274	3,262,200	128,912,474

	Allowance for credit losses		
	Not credit impaired	Credit impaired	Total
1 January 2024	1,230,869	1,190,105	2,420,974
Provision for the year	432,205	438,091	870,296
Reversal for the year	(275,790)	(13,290)	(289,080)
Others	30,796	(261,041)	(230,245)
31 December 2024	1,418,080	1,353,865	2,771,945

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2024, the credit risk exposure and ECL of debt investments are as follows:

RMB'000

	Stage I 12-month ECL	Gross carrying amount Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	Total
31 December 2024	2,302,126	–	4,735,274	7,037,400

	Stage I 12-month ECL	Allowance for credit losses Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	Total
1 January 2024	19,179	39,933	1,783,922	1,843,034
Transfer to Stage III	–	(39,933)	39,933	–
Provision for the year	1,005	–	1,323,609	1,324,614
Reversal for the year	(11,823)	–	–	(11,823)
31 December 2024	8,361	–	3,147,464	3,155,825

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Credit risk (Continued)

As at 31 December 2024, external financial guarantees and mortgages for real estate development operations provided by the Group amounted to RMB2,055,082,000 (31 December 2023: RMB2,446,537,000) and RMB20,588,858,000 (31 December 2023: RMB29,178,017,000) respectively. Details of financial guarantee contracts are set out in Note XI. 3. Management of the Group assessed overdue status of relevant borrowings, financial position of relevant debtor, and economic condition in the debtor's industry. Management is of the view that relevant credit risk of such part of financial guarantee contract had not increased significantly since initial recognition. Therefore, loss allowance for the Group's financial guarantee contracts were not determined based on the amount of lifetime ECL, but measured at the amount of the future 12-month ECL of the above financial guarantee contracts. In 2024, the Group's assessment method and significant assumptions did not change. The Group had not recognised significant expected loss allowance for guarantees and mortgages based on management's assessment.

As the Group's major customers are PRC government agencies at the national, provincial and local levels and other state-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit facility to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, as at 31 December 2024, the Group already had banking facilities from several PRC banks.

The Group's policy is that not more than 75% of the borrowings shall mature in the following 12 months based on the carrying amount of borrowings reflected in the financial statements. As at 31 December 2024, the Group has 44.8% of loans, bonds payable and lease liabilities that would expire within one year (as at 31 December 2023: 39.0%).



Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities at the balance sheet date, based on the undiscounted contractual cash flows:

RMB'000

Item	31 December 2024					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	151,996,844	-	-	-	151,996,844
Due to customers	2,051,298	-	-	-	-	2,051,298
Bills payable	-	41,316,625	-	-	-	41,316,625
Trade payables	-	512,813,640	-	-	-	512,813,640
Other payables	-	120,304,020	-	-	-	120,304,020
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	78,071,306	-	-	-	78,071,306
Other current liabilities	-	2,398,829	-	-	-	2,398,829
Long-term loans	-	7,004,769	64,203,060	105,925,758	106,831,432	283,965,019
Bonds payable	-	974,197	17,402,157	9,026,622	9,599,798	37,002,774
Long-term payables (excluding special payables)	-	-	32,438,937	12,929,816	5,363,003	50,731,756
Lease liabilities	-	-	1,837,456	1,717,445	2,198,753	5,753,654
Other non-current liabilities	-	-	509,500	63,000	-	572,500
Financial guarantees (Note XI. 3) (excluding the real estate mortgage guarantee)	2,055,082	-	-	-	-	2,055,082
Total	4,106,380	914,880,230	116,391,110	129,662,641	123,992,986	1,289,033,347

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Liquidity risk (Continued)

RMB'000

Item	31 December 2023					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	–	82,899,052	–	–	–	82,899,052
Due to customers	1,356,691	–	–	–	–	1,356,691
Bills payable	–	53,461,242	–	–	–	53,461,242
Trade payables	–	491,567,214	–	–	–	491,567,214
Other payables	–	106,058,137	–	–	–	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	–	56,404,561	–	–	–	56,404,561
Other current liabilities	–	230,850	–	–	–	230,850
Long-term loans	–	5,664,418	48,080,043	79,218,292	67,519,403	200,482,156
Bonds payable	–	1,726,850	15,919,289	15,489,823	–	33,135,962
Long-term payables (excluding special payables)	–	–	23,719,420	13,602,279	5,145,559	42,467,258
Lease liabilities	–	–	1,606,486	1,747,335	2,296,868	5,650,689
Other non-current liabilities	–	–	–	798,800	–	798,800
Financial guarantees (Note XI. 3) (excluding the real estate mortgage guarantee)	2,446,537	–	–	–	–	2,446,537
Total	3,803,228	798,012,324	89,325,238	110,856,529	74,961,830	1,076,959,149

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing borrowings, cash and short-term deposits are stated at amortised cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 31 December 2024, floating interest rate loans and fixed interest rate loans accounted for approximately 79.89% and 20.11% (2023: 81.19% and 18.81%) of the Group's borrowings respectively. Management would adjust the proportion of floating and fixed rate loans based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by 0.50% (2023: 0.50%), with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB962,579,000 in 2024 (2023: RMB511,125,000), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 31 December 2024 and the exposure to interest rate risk has been applied to those borrowings in existence at that date. The estimated 0.50% (2023: 0.50%) of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year from now until the end of the next annual reporting period.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk (Continued)

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group had not entered into any hedging transactions as at 31 December 2024 in order to reduce the Group's exposure to foreign currency risk in this regard (31 December 2023: Nil).

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange rates of the United States dollar, Euro, HKD and Saudi Riyal, with all other variables held constant, of the Group's net profit and shareholder's equity net of tax.

2024:

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Other comprehensive income, net of tax Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	4%	284,810	–	284,810
Decrease in the United States dollar rate	(4%)	(284,810)	–	(284,810)
Increase in the Euro rate	4%	(92,277)	–	(92,277)
Decrease in the Euro rate	(4%)	92,277	–	92,277
Increase in the HKD rate	4%	28,056	251	28,307
Decrease in the HKD rate	(4%)	(28,056)	(251)	(28,307)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

2023:

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	4%	156,976	156,976
Decrease in the United States dollar rate	(4%)	(156,976)	(156,976)
Increase in the Euro rate	4%	(175,721)	(175,721)
Decrease in the Euro rate	(4%)	175,721	175,721
Increase in the Saudi Riyal rate	5%	(6,261)	(6,261)
Decrease in the Saudi Riyal rate	(5%)	6,261	6,261

The sensitivity analysis above has been determined assuming that the changes in foreign exchange rates had occurred as at 31 December 2024 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in foreign exchange rates over the year from now until the end of the next annual reporting period.

4. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximise the value of shareholders and other equity investors.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital in 2024 and 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes all loans, due to customers, other current liabilities, bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding the current portion of long-term employee benefits payable and provisions) and other non-current liabilities less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the balance sheet date are listed as follows:

RMB'000

Item	31 December 2024	31 December 2023
Short-term loans	150,142,693	81,839,758
Long-term loans	235,062,620	165,621,478
Due to customers	2,051,298	1,356,691
Bills payable	41,316,625	53,461,242
Trade payables	512,813,640	491,567,214
Other payables	120,304,020	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	76,180,159	54,218,317
Other current liabilities	2,378,224	230,850
Bonds payable	32,720,483	31,031,549
Long-term payables (excluding special payables)	49,538,878	41,052,575
Lease liabilities	4,197,035	4,080,407
Other non-current liabilities	572,500	798,800
Less: Cash and bank balances	185,703,115	166,957,837
Net debt	1,041,575,060	864,359,181
Attributable to shareholders' equity of the Company	328,251,080	309,837,517
Non-controlling interests	94,345,742	107,282,256
Total equity	422,596,822	417,119,773
Total equity and net debt	1,464,171,882	1,281,478,954
Gearing ratio	71%	67%

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

RMB'000

31 December 2024	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	1,644,048	–	1,644,048
Held-for-trading financial assets	500,592	–	1,032,524	1,533,116
Other equity instrument investments	1,722,181	–	11,445,616	13,167,797
Other non-current financial assets	177,252	–	11,198,870	11,376,122
Other current assets	4,968,995	–	–	4,968,995
Sum of assets under continuous measurement of fair value	7,369,020	1,644,048	23,677,010	32,690,078

RMB'000

31 December 2023	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	2,723,520	–	2,723,520
Held-for-trading financial assets	467,563	–	1,162,222	1,629,785
Other debt investments	–	5,115,845	–	5,115,845
Current portion of other debt investments	6,963,058	–	–	6,963,058
Other equity instrument investments	1,974,362	–	10,601,209	12,575,571
Other non-current financial assets	169,604	–	10,117,545	10,287,149
Sum of assets under continuous measurement of fair value	9,574,587	7,839,365	21,880,976	39,294,928

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Assets and liabilities measured at fair value (Continued)

Quantitative information of fair value measurement at Level 2:

RMB'000

Item	Fair value as at 31 December 2024	Valuation technique(s)	Key input(s)
Receivables at FVTOCI	1,644,048	Discounted cash flows	Discount rates for bank acceptance bills in the same term
Total	1,644,048	–	–

Quantitative information of fair value measurement at Level 3:

RMB'000

Item	Fair value as at 31 December 2024	Valuation technique(s)	Significant unobservable input(s)
Held-for-trading financial assets/Other non-current financial assets – call options for unlisted entities	2,778,793	Binomial tree option pricing model for valuation	Unlisted entities' revenue volatility and unlisted equity investments' comparable entities' stock price volatility
Held-for-trading financial assets/Other non-current financial assets – others	9,452,601	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other equity instrument investments	11,445,616	Market method	Discount rate for lack of market mobility
Sum of assets under continuous measurement of fair value	23,677,010	–	–

Fair value of listed equity instruments is determined based on a quoted market price.

For the year ended 31 December 2024, there was no transfer of fair value measurements between each level for both financial assets and financial liabilities of the Group.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Fair value of assets and liabilities that are not measured at fair values

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the financial statements approximate to their fair values except the following items with fixed interest rates:

RMB'000

Item	Carrying amount		Fair value	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long-term loans	45,610,912	39,766,723	45,617,446	39,964,552
Bonds payable	32,720,483	31,031,549	32,778,384	31,099,055

Note: Fair value of long-term loans and bonds payable is determined by discounted future cash flow method, with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 31 December 2024, its own default risk of long-term and short-term loans was evaluated as insignificant.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

Company name	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Railway Construction Corporation	Beijing	Construction and management	RMB9,000,000,000	51.23	51.23

2. Subsidiaries

Please refer to Note XIV. 3(i) "Subsidiaries".

3. Joint venture and associate

Company name	Related party relationship
Beijing Jiehai Real Estate Co., Ltd.	Joint venture
Beijing Liuzhuang Real Estate Co., Ltd.	Joint venture
Beijing Ruida Real Estate Co., Ltd.	Joint venture
Beijing Xinda Real Estate Co., Ltd.	Joint venture
Beijing Xintie Xinjian Investment Co., Ltd.	Joint venture
Chengdu Chuangcheng Real Estate Co., Ltd.	Joint venture
Chengdu Jinrui Bomao Real Estate Co., Ltd.	Joint venture
Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.	Joint venture
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	Joint venture
Chengdu Tiecheng Real Estate Co., Ltd.	Joint venture
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	Joint venture
Deqing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Dong'e Huicheng Investment Development and Construction Co., Ltd.	Joint venture
Fuzhou Xincheng Real Estate Co., Ltd.	Joint venture
Guangxi Urban Rail Engineering Construction Co., Ltd.	Joint venture
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Joint venture
Guangzhou Suiyun Real Estate Co., Ltd.	Joint venture
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Joint venture
Guangzhou Tiejue Real Estate Development Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Guigang Hesi Quanyu Tourism Development Co., Ltd.	Joint venture
Guiyang Changda Rail Transit Construction Co. Ltd.	Joint venture
Guizhou Guijin Expressway Co., Ltd.	Joint venture
Guizhou Tongxin Expressway Development Co., Ltd.	Joint venture
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Joint venture
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	Joint venture
Haikou Jiangdong Xindu Second Real Estate Co., Ltd.	Joint venture
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.	Joint venture
Hebei Canggang Railway Construction and Transportation Co., Ltd.	Joint venture
Hebei China Railway Cangyan Construction Technology Co., Ltd.	Joint venture
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Joint venture
Hubei Rail Transit Design & Research Co., Ltd.	Joint venture
Hubei Lvchuang Construction Co., Ltd.	Joint venture
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.	Joint venture
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	Joint venture
Jiashan Chengfa Construction and Development Co., Ltd.	Joint venture
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	Joint venture
Jiangsu Yinbao Gangkai Construction Co., Ltd.	Joint venture
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Joint venture
Jingxing County Runlian Agricultural Development Co., Ltd.	Joint venture
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Joint venture
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Joint venture
Kunming Qiping Real Estate Co., Ltd.	Joint venture
Nanchang Railway Building Materials Co., Ltd.	Joint venture
Nanchang Xintiecheng Construction Co., Ltd.	Joint venture
Nanjing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	Joint venture
Ningbo Jingwan Investment Management Co., Ltd.	Joint venture
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Pingdu City Characteristic Town Construction Management Co., Ltd.	Joint venture
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	Joint venture
Shanghai Hongjun Real Estate Development Co., Ltd.	Joint venture
Shiyan Luxiang Transportation Investment Co., Ltd.	Joint venture
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	Joint venture
Sichuan Chengmian Cangba Expressway Co., Ltd.	Joint venture
Sichuan Nansuitong Expressway Co., Ltd.	Joint venture
Suzhou Jingzhao Real Estate Development Co., Ltd.	Joint venture
Suzhou Ruihua Real Estate Co., Ltd.	Joint venture
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Joint venture
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	Joint venture
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	Joint venture
Tianjin Wanhe Real Estate Co., Ltd.	Joint venture
Tianjin Line 1 Rail Transit Operation Co., Ltd.	Joint venture
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	Joint venture
Wuhu Yangtze River Tunnel Co., Ltd.	Joint venture
Wuhan Jinkun Real Estate Development Co., Ltd.	Joint venture
Wuhan Yuejun Real Estate Development Co., Ltd.	Joint venture
Xi'an Kaishengda Real Estate Co., Ltd.	Joint venture
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	Joint venture
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	Joint venture
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	Joint venture
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	Joint venture
Yunnan Luxun Highway Co., Ltd.	Joint venture
Changchun Jingde Real Estate Development Co., Ltd.	Joint venture
Changsha Zhicheng Real Estate Co., Ltd.	Joint venture
China-Africa Lekkil Investment Co., Ltd.	Joint venture
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	Joint venture
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Joint venture
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Joint venture
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC (Wuxi) Engineering Technology Development Co., Ltd.	Joint venture
CRCC Kunlun Yunnan Real Estate Co., Ltd.	Joint venture
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Joint venture
CRCC Shaanxi Highway Co., Ltd.	Joint venture
CRCC Shaanxi Meitai Expressway Co., Ltd.	Joint venture
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	Joint venture
China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd.	Joint venture
China Railway Construction Investment (Xiangtan) New Energy Industrial Park Development Co., Ltd.	Joint venture
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	Joint venture
China Railway Construction & Investment Xi'an City Development Co., Ltd.	Joint venture
China Railway Construction (Jiangsu) Ecological Environment Construction Co., Ltd.	Joint venture
Chongqing Chengyu Dianfengwu Expressway Co., Ltd.	Joint venture
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.	Joint venture
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Joint venture
Chongqing Jianlian New Real Estate Development Co., Ltd.	Joint venture
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	Joint venture
Chongqing Liangkai Expressway Co., Ltd.	Joint venture
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiefa Jianxin Highway Co., Ltd.	Joint venture
Chongqing Tiefa Shuanghe Expressway Co., Ltd.	Joint venture
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Joint venture
Chongqing Yusui Fuxian Highway Co., Ltd.	Joint venture
Chongqing Yuxiang Fuxian Highway Co., Ltd.	Joint venture
Anhui Huiyu Construction Engineering Co., Ltd.	Associate
Anhui Zhenrui Construction Engineering Co., Ltd.	Associate
Chengdu Yueran Real Estate Co., Ltd.	Associate
Chifeng Chengquan Highway Engineering Management Co., Ltd.	Associate
Ezhou Wuchu East Extension Investment and Construction Co., Ltd.	Associate
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Associate
Fuzhou North Railway Station South Square Construction and Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Fuzhou Donglin Ring Expressway Co., Ltd.	Associate
Gansu Gonghang Travel Lan'a Highway Management Co., Ltd.	Associate
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	Associate
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	Associate
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Associate
Gansu Tietou Materials Co., Ltd.	Associate
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	Associate
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	Associate
Guangxi Yujin Investment Development Co., Ltd.	Associate
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	Associate
Guangzhou Hongxuan Real Estate Co., Ltd.	Associate
Guangzhou Huangpu District Light Rail Line 1 Investment and Construction Co., Ltd.	Associate
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Associate
Guangzhou ShengDu Investment Development Co., Ltd.	Associate
Guigang Western Outer Ring Road Highway Co., Ltd.	Associate
Guizhou Jinrentong Expressway Development Co., Ltd.	Associate
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	Associate
Guizhou Wengma Railway Limited Co., Ltd.	Associate
CRCC Guizhou Engineering Investment Co., Ltd.	Associate
Hainan Jinfa Railway Construction Port Construction Co., Ltd.	Associate
Hangqu Railway Co., Ltd.	Associate
Hangzhou Jiandejiang Investment Co., Ltd.	Associate
Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	Associate
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Associate
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	Associate
Hengda Real Estate (Shenzhen) Co., Ltd.	Associate
Huayuan County Shiba Cave Zixia Lake Beauty Comprehensive Development Co., Ltd.	Associate
Huaibei Zhongsui Construction Development Co., Ltd.	Associate
Jining China Railway Shengtong Urban Construction and Development Co., Ltd.	Associate
Jianyang Railway Construction Hexing Highway Investment Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Jianghua Fengcheng Construction Investment Co., Ltd.	Associate
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	Associate
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	Associate
Kunming Fuyi Highway Co., Ltd.	Associate
Kunming Sangqing Highway Co., Ltd.	Associate
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	Associate
Liaocheng Rongxing Construction Investment Co., Ltd.	Associate
Liaocheng Xurui Municipal Engineering Co., Ltd.	Associate
CRCC Luoyang Guozhan Development and Construction Co., Ltd.	Associate
Nanjing Daqiao North Environmental Comprehensive Management Co., Ltd.	Associate
Nanjing Jingyue Real Estate Development Co., Ltd.	Associate
Nanjing Yuanchen Real Estate Co., Ltd.	Associate
Ningbo Runsheng Real Estate Development Co., Ltd.	Associate
Ningxia Inter-City Railway Co., Ltd.	Associate
Ningxia Chengxin Railway Logistics Co., Ltd.	Associate
Ningxia High-speed Rail Industry Development Co., Ltd.	Associate
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	Associate
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	Associate
Qingyuan Maglev Transportation Co., Ltd.	Associate
Sanya Zhongcheng Real Estate Co., Ltd.	Associate
Shandong High-speed Railway Construction Equipment Co., Ltd.	Associate
Shanxi Lihuo Expressway Co., Ltd.	Associate
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	Associate
Shaanxi Danningdong Highway Co., Ltd.	Associate
Shaanxi Guanhuan Linfa Expressway Co., Ltd.	Associate
Shaanxi Huangpu Expressway Co., Ltd.	Associate
Shanghai Gangheng Real Estate Co., Ltd.	Associate
Shanghai Jingmao Yue Real Estate Co., Ltd.	Associate
Shanghai Jingmiaoxin Real Estate Co., Ltd.	Associate
Shanghai Wanjinglong Real Estate Co., Ltd.	Associate
Shanghai Xinfucheng Real Estate Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Shanghai Xinjinghui Real Estate Development Co., Ltd.	Associate
Shanghai Xinruicheng Real Estate Development Co., Ltd.	Associate
Sichuan Jinsuiyuan Construction Development Co., Ltd.	Associate
Sichuan Jintou Project Investment Co., Ltd.	Associate
Sichuan Nongxing Land Consolidation Co., Ltd.	Associate
Sichuan Tianmeile Highway Co., Ltd.	Associate
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	Associate
Taiyuan Airport Hub Investment and Construction Co., Ltd.	Associate
Taiyuan Airport Hub Real Estate Co., Ltd.	Associate
Taiyuan Existing Residential Energy Conservation Renovation Project Management Co., Ltd.	Associate
Tianjin Bincheng Meihao shenghuo Co., Ltd.	Associate
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	Associate
Tianshui Tram Co., Ltd.	Associate
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	Associate
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	Associate
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	Associate
Wantong Intercity Railway Co., Ltd.	Associate
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Associate
Wuhan LvYin Landscape Engineering Co., Ltd.	Associate
Wuhan Nanhu Municipal Pipe Network Operation and Maintenance Co., Ltd.	Associate
Wuhan Zhaorui Real Estate Co., Ltd.	Associate
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	Associate
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	Associate
Xuzhou Jiaokong Supply Chain Co., Ltd.	Associate
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	Associate
Yangzhou Jingteng Real Estate Co., Ltd.	Associate
Yangzhou Wantou Jade Feature Town Co., Ltd.	Associate
Yongzhou Railway Co., Ltd.	Associate
Yuxi China Railway Infrastructure Construction Co., Ltd.	Associate
Yunnan Chuda Expressway Investment and Development Co., Ltd.	Associate
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Associate
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	Associate
CRCC (Shandong) Deshang Highway Co., Ltd.	Associate
CRCC (Shandong) Gaodong Highway Co., Ltd.	Associate
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Associate
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	Associate
China Railway Construction Development Group (Longkou) Ecological Construction Co., Ltd.	Associate
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	Associate
CRCC Gansu Zhangbian Highway Co., Ltd.	Associate
CRCC Hunan Expressway Co., Ltd.	Associate
CRCC East China (Cixi) Construction Co., Ltd.	Associate
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	Associate
CRCC Sichuan Dedu Highway Co., Ltd.	Associate
China Railway Construction Sichuan Dejian Expressway Co., Ltd.	Associate
CRCC-Tongguan Investment Co., Ltd.	Associate
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Investment (Lianjiang) Development and Construction Co., Ltd.	Associate
China Railway Construction Investment (Linqing) Highway Construction Co., Ltd.	Associate
China Railway Construction Investment (Tongxiang) Construction Management Co., Ltd.	Associate
China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	Associate
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	Associate
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	Associate
CRCC Investment Jizhong Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Associate
CRCC Investment Langfang Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	Associate
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Associate
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Xinjiang Jingxin Expressway Co., Ltd.	Associate
CRCC Real Estate Co., Ltd.	Associate
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	Associate
Chongqing Tiefu Xiusong Highway Co., Ltd.	Associate
Zhuhai Jiaojian Engineering Co., Ltd.	Associate
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	Associate

4. Other related parties

Company name	Related party relationship
CRCC JinLi Asset Management Co., Ltd.	Fellow subsidiary
CRCC Financial Leasing Co., Ltd. (Note)	Fellow subsidiary

Note: On 14 September 2024, the Company's parent China Railway Construction Corporation obtained the control over the Group's associate CRCC Financial Leasing Co., Ltd., which became a subsidiary of the Controlling Shareholder.

5. Major related party transactions

		RMB'000	
Item		2024	2023
(1) Revenue from construction services	<i>Note 1</i>		
Hangqu Railway Co., Ltd.		4,054,989	3,298,317
Sichuan Chengmian Cangba Expressway Co., Ltd.		3,243,785	6,318,169
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		2,622,431	1,241,979
Chongqing Yuxiang Fuxian Highway Co., Ltd.		2,398,605	4,702,636
China Railway Construction Investment Guangxi Liuqin Expressway Co., Ltd. (Note)		2,385,605	604,822

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

		RMB'000	
Item		2024	2023
Sichuan Nansuitong Expressway Co., Ltd		2,209,706	1,809,974
CRCC Shaanxi Meitai Expressway Co., Ltd.		2,132,031	2,535,094
(1) Revenue from construction services (Continued)	Note 1		
Guiyang Changda Rail Transit Construction Co. Ltd.		1,988,312	3,010,126
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		1,941,165	509,285
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		1,888,723	2,621,108
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.		1,826,562	1,749,804
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.		1,773,506	456,523
China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd.		1,749,818	441,645
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.		1,622,763	3,780,575
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.		1,514,497	1,161,983
Kunming Sanqing Highway Co., Ltd.		1,419,352	1,703,139
Chongqing Tiefa Shuanghe Expressway Co., Ltd.		1,173,271	600,817
Guizhou Jianli Highway Co., Ltd. (Note)		1,130,570	3,550,370
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		1,091,009	1,138,442
Chongqing Yusui Fuxian Highway Co., Ltd.		1,085,039	1,519,020
China Railway Construction Investment Guangxi Yuyi Expressway Co., Ltd. (Note)		1,083,122	2,076,927
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.		1,028,645	400,285
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.		923,852	903,787
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.		895,701	1,032,706
Sichuan Tianmeile Highway Co., Ltd.		894,197	–
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.		860,773	399,924
Ningxia Inter-City Railway Co., Ltd.		855,533	692,777
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.		802,742	296,840
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.		776,592	671,990
Guizhou Jinrentong Expressway Development Co., Ltd.		753,221	2,072,228

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

		RMB'000	
Item		2024	2023
Wuhu Yangtze River Tunnel Co., Ltd.		707,593	622,907
Taiyuan Airport Hub Investment and Construction Co., Ltd.		682,407	474,591
Hebei China Railway Cangyan Construction Technology Co., Ltd.		670,289	405,752
(1) Revenue from construction services (Continued)	Note 1		
Kunming Fuyi Highway Co., Ltd.		627,128	2,272,071
Tianshui Tram Co., Ltd.		579,759	113,040
CRCC East China (Cixi) Construction Co., Ltd.		577,716	72,465
Anhui Huiyu Construction Engineering Co., Ltd.		575,218	255,227
CRCC Shaanxi Highway Co., Ltd.		566,679	106,087
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.		544,887	3,003,042
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.		540,747	1,168,739
Sichuan Tiexin Zhiyuan Construction Co., Ltd.		533,705	872,257
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.		526,793	1,125,369
Hebei Canggang Railway Construction and Transportation Co., Ltd.		510,891	–
Ningxia High-speed Rail Industry Development Co., Ltd.		488,772	374,616
Ezhou Wuchu East Extension Investment and Construction Co., Ltd.		486,411	70,156
Shaanxi Guanhuo Linfa Expressway Co., Ltd.		449,782	839,661
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.		444,588	–
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.		434,643	274,684
Haikou Jiangdong Xinju Second Real Estate Co., Ltd.		432,326	389,798
China Railway Construction Investment (Linqing) Highway Construction Co., Ltd.		430,121	503,330
Guigang Western Outer Ring Road Highway Co., Ltd.		429,130	736,893
China Railway Construction & Investment Xi'an City Development Co., Ltd.		428,756	408,235
Tianjin Bincheng Meihaoshenghuo Co., Ltd.		420,649	1,167,209

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

		RMB'000	
Item		2024	2023
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.		310,570	876,327
CRCC Investment Jizhong Development and Construction Co., Ltd.		290,341	2,316,107
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.		278,998	1,523,235
Fuzhou Donglin Ring Expressway Co., Ltd.		264,949	890,332
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.		244,597	701,543
(1) Revenue from construction services (Continued)	Note 1		
Yunnan Luxun Highway Co., Ltd.		227,180	1,853,161
Guizhou Guijin Expressway Co., Ltd.		210,749	2,045,375
China Railway Construction and Investment Shanxi Expressway Co., Ltd.		208,139	854,300
Chongqing Liangkai Expressway Co., Ltd.		171,432	699,897
Shaanxi Danningdong Highway Co., Ltd.		156,600	1,123,821
Yunnan Chuda Expressway Investment and Development Co., Ltd.		151,362	532,545
Guizhou Tongxin Expressway Development Co., Ltd.		104,783	1,012,659
China Railway Construction Investment (Tongxiang) Construction Management Co., Ltd.		89,581	605,843
Chifeng Chengquan Highway Engineering Management Co., Ltd.		78,087	902,587
Wuhan Nanhu Municipal Pipe Network Operation and Maintenance Co., Ltd.		50,110	571,419
China Railway Construction Investment (Xiangtan) New Energy Industrial Park Development Co., Ltd.		43,910	686,006
Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.		22,474	710,350
Sichuan Langying Highway Co., Ltd. (Note)		2,000	1,200,037
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.		390	1,085,173
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		—	1,182,824
Total		63,121,359	87,930,962

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

		RMB'000	
Item		2024	2023
(2) Revenue from sales of goods or rendering of services	Note 2		
CRCC Financial Leasing Co., Ltd.	Note 4	1,196,009	528,104
Anhui Zhenrui Construction Engineering Co., Ltd.		85,427	405,013
Sichuan Chengmian Cangba Expressway Co., Ltd.		75,453	–
CRCC Sichuan Dedu Highway Co., Ltd.		37,474	14,583
Yunnan Kunchu Highway Investment & Development Co., Ltd.		37,233	–
China Railway Construction Investment (Lianjiang) Development and Construction Co., Ltd.		36,677	–
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.		36,547	8,206
(2) Revenue from sales of goods or rendering of services (Continued)	Note 2		
China Railway Construction Sichuan Dejian Expressway Co., Ltd.		33,724	13,610
Shaanxi Huangpu Expressway Co., Ltd.		32,857	–
CRCC Shaanxi Highway Co., Ltd.		32,204	10,278
CRCC Hunan Expressway Co., Ltd.		31,181	12,048
Chongqing Tiefa Jianxin Highway Co., Ltd.		29,360	1,341
CRCC (Shandong) Gaodong Highway Co., Ltd.		24,019	–
CRCC (Shandong) Deshang Highway Co., Ltd.		21,463	–
Jinan Rail China Railway Segment Manufacturing Co., Ltd.		5,657	21,238
CRCC Xinjiang Jingxin Expressway Co., Ltd.		–	11,947
Total		1,715,285	1,026,368
(3) Other income	Note 3		
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.		97,078	7,797
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.		96,765	69,623
Shanghai Jingmao Yue Real Estate Co., Ltd.		63,465	–
Guangzhou ShengDu Investment Development Co., Ltd.		49,523	41,560
Kunming Qiping Real Estate Co., Ltd.		43,746	44,272
China Railway Construction Corporation	Note 4	39,043	39,534
Guangzhou Suiyun Real Estate Co., Ltd.		38,403	36,182

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

		RMB'000	
Item		2024	2023
(3) Other income (Continued)	Note 3		
Chengdu Tiecheng Real Estate Co., Ltd.		36,149	39,010
Wuhan Zhaorui Real Estate Co., Ltd.		35,343	51,792
Liaocheng Xurui Municipal Engineering Co., Ltd.		34,675	12,762
Guangzhou Nansha Kecheng Investment Development Co., Ltd.		31,085	25,926
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.		23,560	17,393
Fuzhou Xincheng Real Estate Co., Ltd.		22,507	71,554
Changchun Jingde Real Estate Development Co., Ltd.		22,288	—
Suzhou Jingzhao Real Estate Development Co., Ltd.		21,405	35,468
China Railway Construction & Investment Xi'an City Development Co., Ltd.		18,117	22,987
Yuxi China Railway Infrastructure Construction Co., Ltd.		17,942	17,918
Wuhan Jinkun Real Estate Development Co., Ltd.		17,191	—
Chengdu Yueran Real Estate Co., Ltd.		15,584	26,033
Hubei Lvchuang Construction Co., Ltd.		14,359	—
Xi'an Kaishengda Real Estate Co., Ltd.		13,979	45,178
Wuhan Yuejun Real Estate Development Co., Ltd.		12,564	—
Guangzhou Tieyue Real Estate Development Co., Ltd.		11,922	14,524
CRCC-Tongguan Investment Co., Ltd.		6,724	26,317
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		4,128	23,430
CRCC Real Estate Co., Ltd.		—	29,559
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		—	21,998
Beijing Jiehai Real Estate Co., Ltd.		—	57,638
Beijing Ruida Real Estate Co., Ltd.		—	60,564
Total		787,545	839,019

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

		RMB'000	
Item		2024	2023
(4) Purchase of goods or receipt of services	Note 5		
Xuzhou Jiaokong Supply Chain Co., Ltd.		441,100	545,213
Guangxi Urban Rail Engineering Construction Co., Ltd.		177,796	10,207
Shandong High-speed Railway Construction Equipment Co., Ltd.		173,274	6,130
Gansu Tietou Materials Co., Ltd.		166,511	124,032
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.		163,087	–
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.		101,574	34,651
Jinan Rail China Railway Segment Manufacturing Co., Ltd.		67,696	302,952
Nanchang Railway Building Materials Co., Ltd.		49,030	7,487
Hubei Rail Transit Design & Research Co., Ltd.		42,292	–
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.		10,439	263,772
CRCC Financial Leasing Co., Ltd.	Note 4	2,326	94,755
Total		1,395,125	1,389,199
(5) Other expenses	Note 5		
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.		149,660	127,500
Beijing Xintie Xinjian Investment Co., Ltd.		93,745	131,059
China Railway Construction Corporation	Note 4	53,743	52,861
CRCC JinLi Asset Management Co., Ltd.	Note 4	10,673	15,005
Chongqing Tiefu Jianxin Highway Co., Ltd.		12,369	–
Total		320,190	326,425

Note: In 2024, the Group obtained the control over these entities and they were included in the consolidation scope of the Group. The transaction amounts of above items represent the revenue before the Group obtained their control.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

(6) Related party leasing

As the lessee:

RMB'000

Lessor		Leasing asset types	Amount recognised in the current year	Amount recognised in the previous year
CRCC Financial Leasing Co., Ltd.	Note 4, Note 6	Machinery	1,919,621	1,976,765
China Railway Construction Corporation	Note 4, Note 6	Buildings	88,723	97,091
CRCC JinLi Asset Management Co., Ltd.	Note 4, Note 6	Buildings	43,288	36,587
CRCC Financial Leasing Co., Ltd.	Note 4, Note 6	Buildings	4,201	–
Total		–	2,055,833	2,110,443

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

(7) Guarantees granted to a related party

31 December 2024:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	606,699	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	464,030	17 August 2022	30 December 2027	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	499,065	14 June 2022	21 December 2031	No
Total	1,569,794	–	–	–

31 December 2023:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	623,347	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	538,020	17 August 2022	30 December 2027	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	398,040	14 June 2022	21 December 2031	No
Wuhan Zhaorui Real Estate Co., Ltd.	191,100	9 July 2021	27 March 2024	No
Total	1,750,507	–	–	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (Continued)

(8) Key management's remuneration

RMB'000

Item	2024	2023
Key management's remuneration	13,002	18,536

Note 1: The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.

Note 2: The terms of the contracts on sales of goods or provision of services entered into by the Group and related parties were mutually agreed by the parties.

Note 3: The terms of the agreements relating to rendering of or receiving other services entered into by the Group and related parties were mutually agreed by the parties. The other income from related parties was mainly interest income from loans receivable.

Note 4: The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 5: The terms of the purchase agreements of goods and services entered into by the Group and related parties were mutually agreed by the parties.

Note 6: The lease fees recognised by the Group and its affiliated companies are the lease payments paid by the Group to repay the lease liabilities in the current period and the short-term lease and low-value assets lease expenses included in the current profit and loss.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Bills receivable	<i>Note 1</i>				
China Railway Construction Investment (Linqing) Highway Construction Co., Ltd.		314,901	315	–	–
China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd.		242,642	243	–	–
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		183,000	183	–	–
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.		86,000	86	46,000	230
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.		–	–	90,000	450
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.		–	–	300,000	1,500
Total		826,543	827	436,000	2,180
Trade receivables	<i>Note 1</i>				
CRCC Luoyang Guozhan Development and Construction Co., Ltd.		606,290	17,005	761,448	17,154
Taiyuan Airport Hub Investment and Construction Co., Ltd.		550,608	565	–	–
Anhui Zhenrui Construction Engineering Co., Ltd.		372,556	896	402,153	1,263
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.		316,374	1,459	160,679	1,042
CRCC Financial Leasing Co., Ltd.		296,470	1,212	64,807	243
Fuzhou North Railway Station South Square Construction and Development Co., Ltd.		251,890	1,259	2,313	2
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.		234,148	1,122	224,995	1,125
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.		209,244	229	174,267	174

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)	<i>Note 1</i>				
Yuxi China Railway Infrastructure Construction Co., Ltd.		203,464	3,527	248,692	7,369
CRCC Kunlun Yunnan Real Estate Co., Ltd.		193,740	1,124	72,743	416
Nanjing Daqiao North Environmental Comprehensive Management Co., Ltd.		191,744	614	614	614
China Railway Construction Development Group (Longkou) Ecological Construction Co., Ltd.		171,191	103	23,544	30
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.		167,908	13,512	135,078	11,841
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.		164,324	169	21,958	136
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		161,459	1,530	204,969	250
Jiangsu Yinbao Gangkai Construction Co., Ltd.		161,076	1,110	1,110	1,110
Guangzhou ShengDu Investment Development Co., Ltd.		159,179	753	68,422	290
Sichuan Tiexin Zhiyuan Construction Co., Ltd.		146,783	530	114,595	951
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.		145,766	2,248	292,075	1,499
Huaibei Zhongsui Construction Development Co., Ltd.		144,887	265	155,445	265
Hebei Canggang Railway Construction and Transportation Co., Ltd.		137,940	690	–	–
CRCC Development (Rizhao) Environmental Protection Co., Ltd.		129,402	129	235,678	1,178
Ningxia High-speed Rail Industry Development Co., Ltd.		123,211	902	14,469	1,125
Taiyuan Airport Hub Real Estate Co., Ltd.		122,482	600	45,990	166
Chengdu Chuangcheng Real Estate Co., Ltd.		122,438	609	798	1
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.		121,305	1,107	236,130	236
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.		120,641	4,269	44,573	1,959
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.		113,262	1,133	135,028	1,514
Sichuan Nongxing Land Consolidation Co., Ltd.		109,151	1,149	12,723	627

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2024		31 December 2023	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)				
China-Africa Lekkil Investment Co., Ltd.	106,516	107	58,426	58
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	105,876	2,505	13,019	65
Suzhou Jingzhao Real Estate Development Co., Ltd.	105,759	285	175,133	489
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	102,978	662	182,453	906
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	101,001	505	152,290	761
Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.	97,638	488	78,958	539
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	95,854	516	75,269	377
Nanjing Jingyue Real Estate Development Co., Ltd.	95,393	475	14,336	37
Gansu Gonghang Travel Lan'a Highway Management Co., Ltd.	90,446	452	3,947	20
Liaocheng Xurui Municipal Engineering Co., Ltd.	89,627	7,663	89,627	186
Chongqing Tiefa Jianxin Highway Co., Ltd. Pingdu City Characteristic Town Construction Management Co., Ltd.	89,599	909	104,767	1,758
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	86,011	86	72,353	175
Jiashan Chengfa Construction and Development Co., Ltd.	84,127	63	–	–
China Railway Construction (Jiangsu) Ecological Environment Construction Co., Ltd.	77,926	1,905	11,848	1,562
Guigang Hesi Quanyu Tourism Development Co., Ltd.	76,797	77	66,080	66
Sichuan Tianmeile Highway Co., Ltd.	75,918	401	–	–
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	74,779	209	74,779	209
Shiyan Luxiang Transportation Investment Co., Ltd.	73,261	1,051	9,357	582
Haikou Jiangdong Xinju Second Real Estate Co., Ltd.	73,112	366	2,070	10
Shanxi Lihuo Expressway Co., Ltd.	72,612	55	1,519	13
Guangzhou Huangpu District Light Rail Line 1 Investment and Construction Co., Ltd.	71,018	78	1,720	5

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (Continued)	<i>Note 1</i>				
Nanchang Xintiecheng Construction Co., Ltd.		70,629	3,531	106,468	532
Shanghai Wanjinglong Real Estate Co., Ltd.		70,333	686	50,032	244
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.		68,768	689	163,795	2,886
Ningxia Inter-City Railway Co., Ltd.		65,547	706	90,967	2,507
Qingyuan Maglev Transportation Co., Ltd.		61,107	353	95,822	483
China Railway Construction Sichuan Dejian Expressway Co., Ltd.		59,778	283	73,564	368
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.		48,147	436	134,110	1,164
Liaocheng Rongxing Construction Investment Co., Ltd.		47,273	765	74,418	398
Kunming Qiping Real Estate Co., Ltd.		32,268	68	70,553	288
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.		21,010	107	83,021	415
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.		17,333	426	77,525	386
Anhui Huiyu Construction Engineering Co., Ltd.		13,253	361	73,513	77
CRCC Real Estate Co., Ltd.		12,953	43	87,937	297
Tianshui Tram Co., Ltd.		12,426	63	124,453	679
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.		8,032	40	215,029	215
Xixian New Area Xingchengrenju Real Estate Co., Ltd.		6,359	123	136,892	1,619
Guizhou Jinrentong Expressway Development Co., Ltd.		3,499	3	241,859	242
Ningxia Chengxin Railway Logistics Co., Ltd.		591	270	106,209	531
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.		310	140	128,675	812
CRCC Shaanxi Meitai Expressway Co., Ltd.		95	—	335,691	356
Tianjin Bincheng Meihaoshenghuo Co., Ltd.		—	—	322,423	1,575
Total		8,503,983	88,217	7,926,680	76,924

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Loans and advances to customers					
China Railway Construction Corporation	Note 3	1,095,056	34,203	1,650,000	45,375
Hangqu Railway Co., Ltd.		83,360	4,012	85,000	3,320
Total		1,178,416	38,215	1,735,000	48,695
Other receivables					
Tianjin Wanhe Real Estate Co., Ltd.	Note 2	2,500,872	560,059	2,537,172	505,619
Beijing Xintie Xinjian Investment Co., Ltd.	Note 2	2,296,318	1,610	440,035	243
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Note 2	1,830,180	1,873	1,633,436	1,691
Guangzhou ShengDu Investment Development Co., Ltd.	Note 2	1,350,614	1,351	1,344,976	1,345
Beijing Ruida Real Estate Co., Ltd.	Note 2	1,313,942	70,612	1,341,562	1,342
Wuhan Zhaorui Real Estate Co., Ltd.	Note 2	1,272,589	53,088	1,124,439	1,124
Beijing Jiehai Real Estate Co., Ltd.	Note 2	979,944	980	972,944	973
Chengdu Tiecheng Real Estate Co., Ltd.	Note 2	926,302	926	822,791	823
CRCC Guizhou Engineering Investment Co., Ltd.		913,244	232,895	913,446	150,588
Guangzhou Suiyun Real Estate Co., Ltd.	Note 2	825,810	183,360	785,102	64,595
Kunming Qiping Real Estate Co., Ltd.	Note 2	733,454	918	643,421	643
Chengdu Jinrui Bomao Real Estate Co., Ltd.	Note 2	703,285	703	–	–
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Note 2	634,259	634	491,046	491
China Railway Construction & Investment Xi'an City Development Co., Ltd.		600,247	27,935	969,360	28,597
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Note 2	599,557	374,376	494,197	280,075
Nanjing Yuanchen Real Estate Co., Ltd.	Note 2	567,760	568	643,080	643
Ningbo Jingwan Investment Management Co., Ltd.	Note 2	488,585	489	522,350	522
Changchun Jingde Real Estate Development Co., Ltd.	Note 2	468,214	468	446,350	440
Fuzhou Xinchun Real Estate Co., Ltd.	Note 2	458,584	459	434,727	435
Suzhou Jingzhao Real Estate Development Co., Ltd.	Note 2	422,121	1,456	395,602	396
China Railway Construction Sichuan Dejian Expressway Co., Ltd.		413,825	2,103	206,592	1,196
Yangzhou Jingteng Real Estate Co., Ltd.	Note 2	373,395	373	–	–
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	Note 2	272,888	321	240,046	240

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables (Continued)					
Shanghai Jingmao Yue Real Estate Co., Ltd.	Note 2	232,311	232	–	–
Changsha Zhicheng Real Estate Co., Ltd.	Note 2	211,014	1,055	112,167	349
Beijing Liuzhuang Real Estate Co., Ltd.	Note 2	209,663	210	311,282	311
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Note 2	209,261	209	206,228	206
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.		201,536	990	18	5
Nanjing Jingsheng Real Estate Development Co., Ltd.	Note 2	189,439	189	818	1
Deqing Jingsheng Real Estate Development Co., Ltd.	Note 2	188,264	188	278,714	279
Chengdu Yueran Real Estate Co., Ltd.	Note 2	181,533	182	464,849	465
Taiyuan Airport Hub Real Estate Co., Ltd.	Note 2	145,523	7,311	386,109	2,867
Guangxi Yujin Investment Development Co., Ltd.	Note 2	137,840	136	152,142	761
Sanya Zhongcheng Real Estate Co., Ltd.	Note 2	133,588	24,041	126,487	16,521
Chongqing Jianlian New Real Estate Development Co., Ltd.	Note 2	132,000	132	132,013	132
Suzhou Ruihua Real Estate Co., Ltd.	Note 2	124,556	125	121,981	122
Guangzhou Tieyue Real Estate Development Co., Ltd.	Note 2	124,381	124	–	–
Beijing Xinda Real Estate Co., Ltd.	Note 2	114,996	76,484	113,246	76,484
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.		106,521	3,654	114,473	572
Jingxing County Runlian Agricultural Development Co., Ltd.		105,910	106	–	–
Shanghai Wanjinglong Real Estate Co., Ltd.	Note 2	–	–	1,082,998	1,083
Total		23,694,325	1,632,925	21,006,199	1,142,179
Long-term receivables					
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Note 2	1,996,769	1,997	2,391,047	2,391
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		757,722	3,789	140,104	701
Chengdu Tiecheng Real Estate Co., Ltd.	Note 2	689,065	689	689,065	689

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (Continued)					
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Note 2	665,736	430,768	745,411	430,829
CRCC Investment Jizhong Development and Construction Co., Ltd.		537,391	2,687	977,308	5,357
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		488,836	2,465	438,948	2,287
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.		477,192	2,406	302,376	1,528
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.		460,200	2,294	374,617	1,873
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.		428,969	3,332	–	–
Yuxi China Railway Infrastructure Construction Co., Ltd.		396,964	2,048	409,681	2,048
Dong'e Huicheng Investment Development and Construction Co., Ltd.		354,788	1,775	272,127	1,362
Jianghua Fengcheng Construction Investment Co., Ltd.		333,005	1,030	9,382	–
Hohhot Metro Line 2 Construction & Management Co., Ltd.		329,180	45,770	537,662	45,770
CRCC Sichuan Dedu Highway Co., Ltd.		289,945	1,599	319,892	1,599
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.		288,699	1,443	–	–
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.		280,282	1,248	250,149	1,248
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		272,055	1,360	641,070	3,634
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.		267,963	1,342	179,842	899
Jiangsu Yinbao Gangkai Construction Co., Ltd.		257,798	1,289	299,857	1,499
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.		253,119	1,271	123,937	620
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		231,299	231	217,478	1,087
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		222,431	1,112	–	–
CRCC East China (Cixi) Construction Co., Ltd.		192,433	192	82,408	194

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

		31 December 2024		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
CRCC Investment Langfang Development and Construction Co., Ltd.		191,308	957	157,718	789
Long-term receivables (Continued)					
Changsha Zhicheng Real Estate Co., Ltd.	Note 2	189,591	2,708	83,978	840
Shanghai Gangheng Real Estate Co., Ltd.	Note 2	168,484	842	168,484	842
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.		165,380	831	80,676	420
Taiyuan Airport Hub Real Estate Co., Ltd.	Note 2	161,534	428	136,836	419
China Railway Construction & Investment Xi'an City Development Co., Ltd.		158,380	7,919	27,117	1,661
China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.		135,686	678	77,270	386
Huayuan County Shiba Cave Zixia Lake Beauty Comprehensive Development Co., Ltd.		113,487	575	–	–
Wantong Intercity Railway Co., Ltd.		103,852	643	152,834	894
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.		36,707	1,291	480,000	2,400
Sichuan Jinsuiyuan Construction Development Co., Ltd.		30,021	150	272,189	1,426
Tianjin Bincheng Meihaoshenghuo Co., Ltd.		–	–	306,882	1,534
Total		11,926,271	529,159	11,346,345	517,226
Debt investments					
Hengda Real Estate (Shenzhen) Co., Ltd.		2,927,357	2,927,357	2,927,357	1,706,991
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.		880,238	107,069	517,478	76,930
Yunnan Gangcheng Infrastructure Construction Co., Ltd.		524,058	524	524,058	524
Liaocheng Xurui Municipal Engineering Co., Ltd.		258,634	1,293	551,580	2,758
CRCC-Tongguan Investment Co., Ltd.		–	–	363,980	364
Total		4,590,287	3,036,243	4,884,453	1,787,567

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

		RMB'000	
		31 December 2024	31 December 2023
Bills payable			
Xuzhou Jiaokong Supply Chain Co., Ltd.	Note 1	60,000	54,534
Zhuhai Jiaojian Engineering Co., Ltd.		10,583	10,000
Gansu Tietou Materials Co., Ltd.		5,000	45,000
Hubei Lvchuang Construction Co., Ltd.		2,000	–
CRCC Financial Leasing Co., Ltd.		–	56,862
Total		77,583	166,396
Trade payables			
	Note 1		
CRCC Financial Leasing Co., Ltd.		402,362	71,377
Xuzhou Jiaokong Supply Chain Co., Ltd.		320,114	145,665
Shandong High-speed Railway Construction Equipment Co., Ltd.		136,728	20,996
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.		136,460	72,168
Gansu Tietou Materials Co., Ltd.		102,274	99,006
Guangxi Urban Rail Engineering Construction Co., Ltd.		78,596	3,685
Jinan Rail China Railway Segment Manufacturing Co., Ltd.		77,434	141,016
Nanchang Railway Building Materials Co., Ltd.		59,765	24,276
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.		51,374	62,603
CRCC (Wuxi) Engineering Technology Development Co., Ltd.		30,757	26,521
WuHan LvYin Landscape Engineering Co., Ltd.		30,276	26,612
Hebei China Railway Cangyan Construction Technology Co., Ltd.		26,798	36,692
Total		1,452,938	730,617

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2024	31 December 2023
Contract liabilities		
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	456,948	468,458
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	184,446	26,063
Sichuan Nansuitong Expressway Co., Ltd.	157,964	383,089
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	121,172	—
Guigang Hesi Quanyu Tourism Development Co., Ltd.	95,000	95,000
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	68,261	30,967
Chongqing Tiefsa Jianxin Highway Co., Ltd.	65,493	—
Sichuan Jintou Project Investment Co., Ltd.	65,370	40,985
Hainan Jinfa Railway Construction Port Construction Co., Ltd.	65,192	—
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	62,993	43,151
Yongzhou Railway Co., Ltd.	52,196	—
Chongqing Chengyu Dianfengwu Expressway Co., Ltd.	45,923	—
Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	39,335	—
Tianjin Line 1 Rail Transit Operation Co., Ltd.	34,567	2,425
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	30,233	5,056
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	19,581	154,420
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	3,750	83,479
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	—	75,470
Foshan Road and Bridge Prefabricated Components Co., Ltd.	—	63,645
Guigang Western Outer Ring Road Highway Co., Ltd.	—	188,896
Total	1,568,424	1,661,104

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

		RMB'000	
		31 December 2024	31 December 2023
Other payables	<i>Note 1</i>		
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.		2,378,696	492,379
CRCC Xinjiang Jingxin Expressway Co., Ltd.		2,322,963	13,950
Shanghai Wanjinglong Real Estate Co., Ltd.		1,511,648	–
Guiyang Changda Rail Transit Construction Co. Ltd.		1,087,294	9,294
Yunnan Kunchu Highway Investment & Development Co., Ltd.		934,366	336,312
Shanghai Xinjinghui Real Estate Development Co., Ltd.		721,178	803,516
Shanghai Jingmiaoxin Real Estate Co., Ltd.		709,885	718,274
Chongqing Tiefa Jianxin Highway Co., Ltd.		701,857	324,262
Chongqing Tiefa Shuanghe Expressway Co., Ltd.		620,844	57,567
Kunming Fuyi Highway Co., Ltd.		573,474	164,077
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.		489,306	1,280,859
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.		450,916	667,315
Ningbo Runsheng Real Estate Development Co., Ltd.		438,886	598,201
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.		410,606	501,960
CRCC Sichuan Dedu Highway Co., Ltd.		406,856	407,217
Shanghai Xinfucheng Real Estate Development Co., Ltd.		363,564	253,264
Guizhou Tongxin Expressway Development Co., Ltd.		304,345	176,777
Beijing Xintie Xinjian Investment Co., Ltd.		303,124	1,231,252
Shanghai Xinruicheng Real Estate Development Co., Ltd.		296,066	218,638
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.		283,077	254,308
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		267,926	484,470
Kunming Kunlun Shouzhi Real Estate Co., Ltd.		244,250	279,250
Sichuan Nansuitong Expressway Co., Ltd.		230,742	172,457
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.		227,790	258,216
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.		221,076	271,076
Chongqing Yusui Fuxian Highway Co., Ltd.		217,270	74,309

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

		RMB'000	
		31 December 2024	31 December 2023
Other payables(Continued)	<i>Note 1</i>		
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		216,288	2,184
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.		214,466	151,772
Shanghai Hongjun Real Estate Development Co., Ltd.		199,920	143,820
Nanjing Jingsheng Real Estate Development Co., Ltd.		190,024	240,177
Kunming Sanqing Highway Co., Ltd.		167,506	7,322
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.		166,261	126,977
Chongqing Tiefu Xiusong Highway Co., Ltd.		150,817	148,213
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.		149,943	13,610
Xi'an Kaishengda Real Estate Co., Ltd.		142,983	169
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.		132,565	1,748
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.		121,373	100
Yangzhou Wantou Jade Feature Town Co., Ltd.		120,406	2,642
Guangzhou Hongxuan Real Estate Co., Ltd.		118,489	118,489
Yunnan Luxun Highway Co., Ltd.		117,470	14,867
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.		100,751	115,625
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.		100,153	26,868
Chengdu Zhongwan Yixing Real Estate Co., Ltd.		91,359	219,982
CRCC Gansu Zhangbian Highway Co., Ltd.		86,822	237,522
CRCC Hunan Expressway Co., Ltd.		64,213	260,766
Yuxi China Railway Infrastructure Construction Co., Ltd.		50,000	280,000
Tianjin Line 1 Rail Transit Operation Co., Ltd.		22,959	205,862
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.		11,519	248,846
CRCC (Shandong) Deshang Highway Co., Ltd.		652	220,300
Total		19,454,944	12,837,061

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2024	31 December 2023
Advances to suppliers		
CRCC Financial Leasing Co., Ltd.	66,727	62,994
Total	66,727	62,994
Due to customers		
CRCC JinLi Asset Management Co., Ltd.	609,490	560,642
Beijing Xintie Xinjian Investment Co., Ltd.	429,923	179,280
China Railway Construction Corporation	289,618	166,979
Hangzhou Jiandejiang Investment Co., Ltd.	145,717	51,826
China-Africa Lekkil Investment Co., Ltd.	141,379	82,380
Jining China Railway Shengtong Urban Construction and Development Co., Ltd.	101,919	–
Taiyuan Existing Residential Energy Conservation Renovation Project Management Co., Ltd.	81,246	–
Guangzhou ShengDu Investment Development Co., Ltd.	58,226	61,540
Jianyang Railway Construction Hexing Highway Investment Co., Ltd.	57,021	424
CRCC Financial Leasing Co., Ltd.	5,246	204,035
Total	1,919,785	1,307,106
Long-term loans (including current portion)		
China Railway Construction Corporation	1,836,876	1,423,276
Total	1,836,876	1,423,276
Lease liabilities (including current portion)		
CRCC Financial Leasing Co., Ltd.	1,933,068	1,796,707
CRCC Sichuan Dedu Highway Co., Ltd.	20,052	37,001
Total	1,953,120	1,833,708

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

RMB'000

	31 December 2024	31 December 2023
Long-term payables (including current portion)		
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	586,121	578,311
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	423,498	440,839
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	198,593	345,708
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	189,520	374,943
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	104,275	158,582
CRCC Financial Leasing Co., Ltd.	42,281	74,563
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	24,178	137,419
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	—	349,362
Total	1,568,466	2,459,727

Note 1: The amounts due from/to related parties were interest-free, unsecured, and had no fixed terms of repayment.

Note 2: The amounts due from related parties were loans for cooperative development project from the Group's real estate development operation segments, with the interest rate agreed in the contracts.

Note 3: The amounts due from the Controlling Shareholder and associates were borrowings from CRCC Finance Company Limited.

Note 4: The amounts were mainly advances from related parties and were interest-free.

Note 5: The amounts due to the Group's related parties were deposits in CRCC Finance Company Limited.

Note 6: The amounts were appropriations from the Ministry of Finance to the Controlling Shareholder and considered as the entrusted loans granted to the Group by the Controlling Shareholder. The interest rate of such entrusted loans was determined by the Loan Prime Rate published by National Interbank Funding Center.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

RMB'000

	31 December 2024	31 December 2023
Contracted, but not provided for:		
Capital commitments	2,587,252	3,806,127
Investment commitments	53,621,250	69,708,257
Total	56,208,502	73,514,384

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

3. Guarantees

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Group	31 December 2024	31 December 2023
Associates	1,569,794	1,750,507
Other entities	485,288	696,030
Total	2,055,082	2,446,537

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XI. COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Guarantees (Continued)

The above guarantees exclude guarantees in respect of the banking facilities other than mortgages. As at 31 December 2024, the Group's guarantees (excluding guarantees in respect of the banking facilities other than mortgages) amounted to RMB2,055,082,000 (31 December 2023: RMB2,446,537,000), the guarantees in respect of mortgages amounted to RMB20,588,858,000 (31 December 2023: RMB29,178,017,000). Until now, the guarantees rarely defaulted payments to the banks, thus the Group considered the risks related to the guarantees were low and the fair value was immaterial.

The above guarantees in respect of mortgages were granted to the purchasers of the Group's properties and secured by the mortgages.

The Company had issued guarantees to banks in respect of the banking facilities granted to the following parties:

	<i>RMB'000</i>	
	31 December 2024	31 December 2023
The Company		
Subsidiaries	7,977,904	11,710,103
Other entities	204,691	405,931
Total	8,182,595	12,116,034

In addition, no interest-bearing bank and other loans of the Company were guaranteed by the subsidiaries of the Company as at 31 December 2024 (31 December 2023: Nil).

XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit distribution

Pursuant to the resolution approved in the 5th session of the 37th board of directors meeting of the Company held on 27-28 March 2025, the Board of Directors proposed that cash dividends may be distributed to all shareholders by the Company at RMB3.00 per 10 shares (i.e. cash dividend of RMB0.30 per share). The cash dividend of RMB4,073,862,000 is proposed to be distributed based on the issued shares of 13,579,541,500, and the above proposal is yet to be approved by the shareholders' general meeting.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS

1. Segment reporting

Operating segments

For management purposes, the Group is organised into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The plan, design and consultancy operations segment engages in the provision of plan, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- (3) The manufacturing operations segment engages in the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- (4) The real estate development operations segment engages in the development, construction and sale of residential properties and commercial properties; and
- (5) The other business operations segment mainly comprises trade and logistics, finance and insurance and highway operation service.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

Operating segments (Continued)

RMB'000

	Construction operations	Plan, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
2024:							
Revenue from external customers	913,107,758	17,944,661	19,185,073	71,890,431	45,043,414	-	1,067,171,337
Inter-segment sales	18,137,706	79,660	4,209,680	-	41,820,684	(64,247,730)	-
Total	931,245,464	18,024,321	23,394,753	71,890,431	86,864,098	(64,247,730)	1,067,171,337
Share of profits/(losses) of joint ventures and associates	33,597	(12,204)	193,944	174,446	(769,937)	-	(380,154)
Impairment of credit losses and impairment losses on assets	(6,327,038)	(106,650)	(10,509)	(2,506,749)	(145,321)	-	(9,096,267)
Depreciation and amortisation	(20,218,788)	(399,225)	(1,019,198)	(243,120)	(1,745,519)	-	(23,625,850)
Profit before tax	22,135,506	3,666,740	2,304,099	1,263,623	2,950,479	154,262	32,474,709
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	31,681,531	619,824	861,056	1,529,241	14,407,931	-	49,099,583
Segment assets (Note 1)	1,405,761,006	36,472,462	60,747,733	365,501,730	423,084,312	(428,724,721)	1,862,842,522
Segment liabilities (Note 2)	1,130,330,016	10,204,106	31,708,706	294,367,197	364,826,902	(391,191,227)	1,440,245,700
Other disclosures:							
Long-term equity investments in joint ventures and associates	129,653,439	4,627,624	2,206,379	13,017,145	4,479,813	-	153,984,400

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

Operating segments (Continued)

RMB'000

	Construction operations	Plan, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
2023:							
Revenue from external customers	965,113,809	18,517,503	19,200,261	83,271,759	51,890,154	-	1,137,993,486
Inter-segment sales	22,210,694	236,476	4,799,079	-	43,975,629	(71,221,878)	-
Total	987,324,503	18,753,979	23,999,340	83,271,759	95,865,783	(71,221,878)	1,137,993,486
Share of profits/(losses) of joint ventures and associates	645,829	(459)	251,384	258,361	(590,128)	-	564,987
Impairment of credit losses and impairment losses on assets	(6,812,837)	(460,991)	(210,319)	(2,231,079)	(226,005)	-	(9,941,231)
Depreciation and amortisation	(17,719,957)	(412,263)	(1,435,871)	(297,078)	(1,440,790)	-	(21,305,959)
Profit before tax	26,625,512	3,934,581	2,555,303	3,021,722	2,378,500	312,534	38,828,152
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	27,038,439	789,407	3,645,677	2,569,184	8,068,428	-	42,111,135
Segment assets (Note 1)	1,211,379,893	39,089,326	58,104,235	379,148,288	352,244,035	(376,946,199)	1,663,019,578
Segment liabilities (Note 2)	954,493,054	14,809,678	30,876,710	311,123,245	297,137,937	(362,540,819)	1,245,899,805
Other disclosures:							
Long-term equity investments in joint ventures and associates	127,280,722	4,494,805	2,153,821	11,313,268	4,035,741	-	149,278,357

Note 1: Segment assets do not include deferred tax assets of RMB12,152,500,000 (31 December 2023: RMB11,211,912,000) and advance payment of corporate income tax of RMB2,398,358,000 (31 December 2023: RMB2,444,248,000), as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB443,275,579,000 (31 December 2023: RMB390,602,359,000) are eliminated on consolidation.

Note 2: Segment liabilities do not include deferred tax liabilities of RMB1,979,263,000 (31 December 2023: RMB2,008,603,000) and corporate income tax payable of RMB3,671,037,000 (31 December 2023: RMB4,279,976,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB396,841,527,000 (31 December 2023: RMB368,829,398,000) are eliminated on consolidation.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

Group information

Geographical information

Revenue from external customers

RMB'000

	2024	2023
Mainland China	1,001,272,645	1,077,683,620
Outside Mainland China	65,898,692	60,309,866
Total	1,067,171,337	1,137,993,486

Total non-current assets (Note)

RMB'000

	31 December 2024	31 December 2023
Mainland China	359,626,839	301,995,741
Outside Mainland China	15,840,583	15,507,623
Total	375,467,422	317,503,364

In the geographical information above, revenue from external customers is based on the locations of the customers. Non-current asset information above is based on the locations of the non-current assets.

Note: Non-current assets consisted of investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, long-term prepaid expenses and investments in joint ventures and associates.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

Group information (Continued)

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer in 2024 (2023: did not derive more than 10% of its total revenue from any single customer).

2. Other financial information

(i) Pension scheme contributions

	RMB'000	
Item	2024	2023
Pension scheme contributions (defined contribution plans)	9,090,646	8,737,618
Pension scheme costs (defined benefit plans)	5,766	3,205

As at 31 December 2024, there were no forfeited contributions available to reduce the Group's contributions to its pension scheme in the next year (31 December 2023: Nil).

(ii) Directors' and supervisors' remuneration

	RMB'000	
Item	2024	2023
Salaries, housing welfare and other allowances and physical benefits	1,837	3,067
Performance bonus	2,965	5,303
Defined contribution plan	652	1,142
Total	5,454	9,512

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of independent non-executive directors for the current year are as follows:

<i>RMB'000</i>		
Item	2024	2023
Independent Non-executive Directors		
Mr. MA Chuanjing	80	80
Mr. ZHAO Lixin	80	80
Mr. XIE Guoguang	80	80
Mr. TSIN Wai Lun Kenneth	135	127
Total	375	367

The fees of the above independent non-executive directors represent remuneration paid in respect of their services as directors of the Company. There was no other remuneration payable to the independent non-executive directors during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of directors and supervisors for the current year are as follows:

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance Bonus	Defined benefit plan	Total remuneration
2024				
Executive director				
Mr. DAI Hegen (<i>Note 1</i>)	340	364	155	859
Mr. WANG Lixin (<i>Note 2</i>)	228	536	104	868
Mr. Ni Zhen (<i>Note 3</i>)	152	429	82	663
Sub-total	720	1,329	341	2,390
Non-executive director				
Mr. GAO Lieyang (<i>Note 6</i>)	–	–	–	–
Sub-total	–	–	–	–
Independent non-executive director				
Mr. MA Chuanjing	60	20	–	80
Mr. ZHAO Lixin	60	20	–	80
Mr. XIE Guoguang	60	20	–	80
Mr. TSIN Wai Lun Kenneth	135	–	–	135
Sub-total	315	60	–	375

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Name and remuneration of directors and supervisors for the current year are as follows: (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance Bonus	Defined benefit plan	Total remuneration
2024 (Continued)				
Supervisor				
Mr. ZHAO Wei	308	525	131	964
Mr. KANG Fuxiang	228	513	85	826
Mr. LIU Zhengchang (Note 4)	—	415	—	415
Mr. LIU Xuan (Note 5)	266	123	95	484
Sub-total	802	1,576	311	2,689
Total	1,837	2,965	652	5,454

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance Bonus	Defined benefit plan	Total remuneration
2023				
Executive director				
Mr. WANG Jianping (board chairman)	342	697	155	1,194
Mr. WANG Lixin (president)	328	638	147	1,113
Mr. ZHUANG Shangbiao (president)	232	576	95	903
Mr. Ni Zhen	315	617	147	1,079
Mr. CHEN Dayang	193	500	78	771
Mr. LIU Ruchen	314	616	150	1,080
Sub-total	1,724	3,644	772	6,140
Non-executive director				
Mr. GAO Lieyang	–	–	–	–
Sub-total	–	–	–	–
Independent non-executive director				
Mr. MA Chuanjing	60	20	–	80
Mr. ZHAO Lixin	60	20	–	80
Mr. XIE Guoguang	60	20	–	80
Mr. TSIN Wai Lun Kenneth	127	–	–	127
Sub-total	307	60	–	367

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

RMB'000

	Salaries, housing welfare and other allowances and physical benefits	Performance Bonus	Defined benefit plan	Total remuneration
2023 (Continued)				
Supervisor				
Mr. ZHAO Wei	324	552	125	1,001
Mr. LIU Zhengchang	368	537	122	1,027
Mr. KANG Fuxiang	344	510	123	977
Sub-total	1,036	1,599	370	3,005
Total	3,067	5,303	1,142	9,512

Note 1: On 30 January 2024, the resolution of the first extraordinary general meeting of shareholders voted to add Mr. DAI Hegen as the Executive Director of the Company.

Note 2: On 7 September 2024, Mr. WANG Lixin, the Executive Director and the President, ceased to hold the positions of the Executive Director, the President, and the Chairman of Strategy and Investment Committee of the Board of Directors of the Company due to job transfer reasons.

Note 3: On 27 July 2024, Mr. Ni Zhen, the Executive Director, ceased to serve as an Executive Director and a member of Nomination Committee of the Board of Directors of the Company due to job transfer reasons.

Note 4: On 21 June 2024, Mr. LIU Zhengchang, the Supervisor Elected by the General Meeting of Shareholders, ceased to serve as the Supervisor Elected by the General Meeting of Shareholders of the Company due to job transfer reasons.

Note 5: On 20 June 2024, the resolution of the general meeting of shareholders for 2023 voted to add Mr. LIU Xuan as the Supervisor Elected by the General Meeting of Shareholders of the Company.

Note 6: The Director, Gao Lieyang, is a full-time external director of the State-owned Assets Supervision and Administration Commission of the State Council and does not receive any compensation from the Company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Top 5 paid employees

The analysis of top 5 paid employees of the Group is as follows:

	2024	2023
Employee that is neither a director nor a supervisor	5	5

Details of remuneration of the above employee that is neither a director nor a supervisor:

	2024	2023
Salaries, housing welfare and other allowances and physical benefits	1,740	3,994
Performance bonus	14,929	14,887
Defined contribution plan	452	725
Total	17,121	19,606

RMB'000

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration (Continued)

Top 5 paid employees (Continued)

Number of employees that is neither a director nor a supervisor of the following remuneration ranges is as follows:

Item	2024	2023
HKD3,000,000 to 3,500,000 (including 3,500,000)	2	–
HKD3,500,000 to 4,000,000 (including 4,000,000)	1	1
HKD4,000,000 to 4,500,000 (including 4,500,000)	2	3
HKD4,500,000 to 5,000,000 (including 5,000,000)	–	1
Total	5	5

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	2,659,327	2,710,101
1 to 2 years	245,733	170,555
2 to 3 years	—	3,045
Over 3 years	3,045	—
Subtotal	2,908,105	2,883,701
Less: Allowance for credit losses	36,010	29,640
Total	2,872,095	2,854,061

Trade receivables and allowance for credit losses by category are listed as follows:

RMB'000

Category	31 December 2024				Carrying amount
	Gross carrying amount Amount	Percentage %	Allowance for credit losses Amount	Percentage %	
Allowance for credit losses assessed by credit risk portfolio	2,908,105	100.00	36,010	1.24	2,872,095
Total	2,908,105	100.00	36,010	1.24	2,872,095

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS(CONTINUED)

1. Trade receivables(Continued)

RMB'000

Category	Gross carrying amount		31 December 2023 Allowance for credit losses		Carrying amount
	Amount	Percentage %	Amount	Percentage %	
Allowance for credit losses assessed by credit risk portfolio	2,883,701	100.00	29,640	1.03	2,854,061
Total	2,883,701	100.00	29,640	1.03	2,854,061

As at 31 December 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio are listed as follows:

RMB'000

Aging	31 December 2024			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	2,659,327	91.45	22,809	0.86
1 to 2 years	245,733	8.45	12,136	4.94
Over 3 years	3,045	0.10	1,065	34.98
Total	2,908,105	100.00	36,010	1.24

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Trade receivables (Continued)

As at 31 December 2024, top five entities with the largest balances of trade receivables and contract assets are listed as follows:

RMB'000

Company name	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for credit losses
Company 1	1,089,241	279,186	1,368,427	21.51	13,684
Company 2	416,283	291,426	707,709	11.12	9,523
Company 3	278,181	22,348	300,529	4.72	1,503
Company 4	212,117	20,993	233,110	3.66	1,341
Company 5	370,856	289,055	659,911	10.38	6,599
Total	2,366,678	903,008	3,269,686	51.39	32,650

As at 31 December 2024 and 31 December 2023, no amount due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of trade receivables.

2. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	31 December 2024	31 December 2023
Within 1 year	15,249,793	17,049,773
1 to 2 years	7,080,384	468,644
2 to 3 years	418,080	277,350
Over 3 years	876,896	1,191,119
Subtotal	23,625,153	18,986,886
Less: Allowance for credit losses	1,430	1,305
Total	23,623,723	18,985,581

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (Continued)

Provision for allowance for credit losses is as follows:

- (1) As at 31 December 2024, the Company did not have other receivables at phase II.
- (2) As at 31 December 2024, the Company did not have other receivables at phase III.

In 2024, no other receivables have been written off. (2023: Nil)

As at 31 December 2024, other receivables from the five largest customers are listed as follows:

RMB'000

Company name	Relationship with the Company	Amount	Aging	Percentage of total other receivables (%)
Company 1	Subsidiaries	5,000,000	Within 2 years	21.16
Company 2	Subsidiaries	2,698,732	Within 3 years	11.42
Company 3	Subsidiaries	2,334,788	Within 1 year to over 5 years	9.88
Company 4	Subsidiaries	2,053,931	Within 1 year to over 5 years	8.69
Company 5	Subsidiaries	1,853,996	Within 1 year	7.85
Total	—	13,941,447	—	59.00

As at 31 December 2024 and 31 December 2023, no amount due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of other receivables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

RMB'000

Item		31 December 2024	31 December 2023
Equity investment under cost method			
– Subsidiaries	(i)	105,332,868	103,305,853
Total		105,332,868	103,305,853

Note: All the long-term equity investments are investments in unlisted companies, except for CRCC High-Tech Equipment Corporation Limited and China Railway Construction Heavy Industry Corporation Limited.

(i) Subsidiaries

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the year		Carrying amount at 31 December 2024	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2024 (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Civil Engineering Construction Corporation	2,946,507	–	–	2,946,507	100.00	Co., Ltd
China Railway 11th Bureau Group Co., Ltd.	1,893,912	–	–	1,893,912	81.62	Co., Ltd
China Railway 12th Bureau Group Co., Ltd.	1,957,277	–	–	1,957,277	100.00	Co., Ltd
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,660,480	–	–	2,660,480	100.00	Co., Ltd
China Railway 14th Bureau Group Co., Ltd.	2,130,105	–	–	2,130,105	79.02	Co., Ltd
China Railway 15th Bureau Group Co., Ltd.	1,585,152	–	–	1,585,152	100.00	Co., Ltd
China Railway 16th Bureau Group Co., Ltd.	1,482,412	1,783,700	–	3,266,112	100.00	Co., Ltd
China Railway 17th Bureau Group Co., Ltd.	1,735,340	–	–	1,735,340	100.00	Co., Ltd
China Railway 18th Bureau Group Co., Ltd.	1,103,234	–	–	1,103,234	80.30	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the year		Carrying amount at 31 December 2024	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2024 (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Railway 19th Bureau Group Co., Ltd.	3,954,638	-	-	3,954,638	100.00	Co., Ltd
China Railway 20th Bureau Group Co., Ltd.	1,615,144	-	-	1,615,144	70.41	Co., Ltd
China Railway 21st Bureau Group Co., Ltd.	1,557,251	-	-	1,557,251	100.00	Co., Ltd
China Railway 22nd Bureau Group Co., Ltd.	1,295,286	-	-	1,295,286	100.00	Co., Ltd
China Railway 23rd Bureau Group Co., Ltd.	1,545,004	-	-	1,545,004	100.00	Co., Ltd
China Railway 24th Bureau Group Co., Ltd.	1,346,917	-	-	1,346,917	100.00	Co., Ltd
China Railway 25th Bureau Group Co., Ltd.	1,348,597	-	-	1,348,597	100.00	Co., Ltd
China Railway Construction Group Co., Ltd.	2,868,346	-	-	2,868,346	85.64	Co., Ltd
China Railway Construction Electrification Bureau Group Co., Ltd.	1,105,530	-	-	1,105,530	100.00	Co., Ltd
China Railway Construction Real Estate Group Co., Ltd. (Note 1)	7,233,191	9,554	-	7,242,745	100.00	Co., Ltd
China Railway First Survey and Design Institute Group Co., Ltd.	653,730	40,000	-	693,730	100.00	Co., Ltd
China Railway Siyuan Survey and Design Group Co., Ltd.	1,607,809	140,000	-	1,747,809	100.00	Co., Ltd
China Railway Fifth Survey and Design Institute Group Co., Ltd.	338,196	-	-	338,196	100.00	Co., Ltd
China Railway Shanghai Design Institute Group Co., Ltd.	267,624	-	-	267,624	100.00	Co., Ltd
China Railway Material Group Co., Ltd. (Note 1)	3,407,584	66,453	-	3,474,037	100.00	Co., Ltd
CRCC High-Tech Equipment Corporation Limited	1,714,797	-	-	1,714,797	63.70	Corporation Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the year		Carrying amount at 31 December 2024	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2024 (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Heavy Industry Corporation Limited	4,028,004	-	-	4,028,004	71.93	Corporation Limited
China Railway Construction Business Management Co., Ltd. (Note 1)	28,313	-	12,692	15,621	100.00	Co., Ltd
China Railway Construction Investment Group Co., Ltd.	10,538,793	-	-	10,538,793	87.34	Co., Ltd
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd.	1,385,891	-	-	1,385,891	100.00	Co., Ltd
CRCC Finance Company Limited	8,460,000	-	-	8,460,000	94.00	Co., Ltd
China Railway Construction Corporation (International) Limited	3,012,602	-	-	3,012,602	100.00	Co., Ltd
China Railway Urban Construction Group Co., Ltd.	2,000,000	-	-	2,000,000	71.69	Co., Ltd
Beijing CRCC Tianrui Machinery Equipment Co., Ltd.	2,000,000	-	-	2,000,000	98.04	Co., Ltd
CRCC Kunlun Investment Group Co., Ltd.	3,600,000	-	-	3,600,000	70.77	Co., Ltd
China Railway Construction Xiong'an Investment Development Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
China Railway Construction Transportation Operation Group Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
CRCC Southern Construction and Investment Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
CRCC South China Investment Co., Ltd.	435,442	-	-	435,442	100.00	Co., Ltd
China Railway Construction South China Construction Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(i) Subsidiaries (Continued)

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the year		Carrying amount at 31 December 2024	Percentage of the investee's registered capital directly attributable to the Company as at 31 December 2024 (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Northwest Investment & Construction Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd
China Railway Construction City Construction Investment Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd
China Railway Construction Eastern China Investment & Construction Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd
CRCC International Investment Co., Ltd.	3,000,000	-	-	3,000,000	100.00	Co., Ltd
CRCC Development Group Co., Ltd.	1,498,690	-	-	1,498,690	100.00	Co., Ltd
CRCC North Investment & Construction Co., Ltd.	200,000	-	-	200,000	100.00	Co., Ltd
CRCC Yellow River Investment & Construction Co., Ltd.	1,110,000	-	-	1,110,000	100.00	Co., Ltd
CRCC Capital Holdings Group Co., Ltd.	3,549,871	-	-	3,549,871	100.00	Co., Ltd
China Railway Construction Treasury Management (Hong Kong) Co., Ltd	4,184	-	-	4,184	100.00	Co., Ltd
China Railway Construction Southwest Investment Co., Ltd.	100,000	-	-	100,000	100.00	Co., Ltd
Total	103,305,853	2,039,707	12,692	105,332,868	-	-

Note 1: In 2024, the Company transferred the 100% equity interest in Beijing Tiejian Property Management Co., Ltd. held by China Railway Construction Business Management Co., Ltd. to China Railway Construction Real Estate Group Co., Ltd. with its net book value of RMB9,554,000 as capital contribution, and the 100% equity interest in China Railway International Aviation Services Co., Ltd. held by China Railway Construction Business Management Co., Ltd. to China Railway Material Group Co., Ltd. with its net book value of RMB52,413,000 as capital contribution.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Other payables

Other payables are disclosed by category:

RMB'000

Item	31 December 2024	31 December 2023
Payables for advances	6,159,032	10,596,191
Centralised funds payable	2,723,085	2,777,363
Dividends payable	473,628	453,598
Guarantees and deposits	78,511	86,212
Others	746,273	514,004
Total	10,180,529	14,427,368

5. Long-term loans

RMB'000

Item	31 December 2024	31 December 2023
Credit loans	3,710,074	3,734,276
Total	3,710,074	3,734,276

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term loans (Continued)

The maturity profile of the long-term loans as at the balance sheet date is listed as follows:

RMB'000

Item	31 December 2024	31 December 2023
Within one year or paid on demand	757,802	406,000
In the second year (inclusive)	1,722,074	1,189,276
In the third year (inclusive)	659,600	1,290,600
Over three years	1,328,400	1,254,400
Total	4,467,876	4,140,276

6. Revenue and cost of sales

Revenue is presented as follows:

RMB'000

Item	2024	2023
Revenue from principal operations	8,639,299	11,034,155
Other operating revenue	773,815	628,976
Total	9,413,114	11,663,131

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Revenue and cost of sales (Continued)

Operating cost is presented as follows:

<i>RMB'000</i>		
Item	2024	2023
Operating cost	8,439,019	11,111,331

7. Finance costs

<i>RMB'000</i>		
Item	2024	2023
Interest expenses	575,551	633,119
Less: Interest income	2,812,625	2,903,756
Exchange losses (gains)	27,470	(20,536)
Bank charges and others	4,068	5,492
Total	(2,205,536)	(2,285,681)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Investment income

Item	RMB'000	
	2024	2023
Investment income received from long-term equity investments under cost method	11,774,481	10,156,089
Others	15,559	15,360
Total	11,790,040	10,171,449

For the year ended 31 December 2024, the investment income mentioned above was composed of investment income of RMB389,870,000 (2023: RMB438,537,000) from listed companies and RMB11,400,170,000 from unlisted companies (2023: RMB9,732,912,000).

As at 31 December 2024, the remittance of the Company's investment income was not subject to significant restriction.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

<i>RMB'000</i>		
Item	2024	2023
Reconciliation of net profit to cash flows from operating activities:		
Net profit	13,788,371	11,679,665
Plus: Impairment of credit losses	7,484	17,715
Impairment losses/(gains) on assets	5,592	(9,584)
Depreciation of fixed assets	35,159	17,345
Amortisation of intangible assets	26,065	22,844
Amortisation of long-term prepayments	2,286	2,233
Depreciation of right-of-use assets	3,791	32,215
Losses on retirement of fixed assets	783	247
(Gains)/losses from changes in fair value	(2,986)	7,672
Finance costs	552,472	558,771
Investment income	(11,790,040)	(10,171,449)
Decrease in deferred tax assets	—	303
Decrease in deferred tax liabilities	(6,341)	(7,292)
Decrease in inventories	2,758	625
Decrease in contract assets	77,130	924,001
(Increase)/decrease in operating receivables	(10,781,022)	3,413,631
Decrease in operating payables	(3,037,384)	(71,544)
Net cash flows (used in)/generated from operating activities	(11,115,882)	6,417,398

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Supplementary information to the statement of cash flows (Continued)

(2) Cash and cash equivalents

RMB'000

Item	31 December 2024	31 December 2023
Cash	21,980,426	20,064,143
Including: Cash with banks/financial institutions without restrictions	21,980,426	20,064,143
Closing balance of cash and cash equivalents	21,980,426	20,064,143

10. Related party transactions

(1) Significant transactions between the Company and its related parties

RMB'000

Item	2024	2023
(1) Revenue from other related party transactions		
Subsidiaries	3,534,476	3,466,170
Other related parties	187,634	107,790
Total	3,722,110	3,573,960
(2) Purchase of goods and receipt of services		
Subsidiaries	8,140,008	10,967,730
Total	8,140,008	10,967,730
(3) Other expenses		
Subsidiaries	500,262	446,906
Other related parties	43,240	40,173
Total	543,502	487,079

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

10. Related party transactions (Continued)

(2) Balance due to/from related parties

RMB'000

Item	31 December 2024 Gross carrying amount	Credit loss allowance	31 December 2023 Gross carrying amount	Credit loss allowance
Trade receivables				
Other related parties	14,804	1,279	63,544	2,369
Total	14,804	1,279	63,544	2,369
Other receivables				
Subsidiaries	14,962,478	–	13,953,132	–
Total	14,962,478	–	13,953,132	–
Advances to suppliers				
Subsidiaries	371,076	–	399,824	–
Total	371,076	–	399,824	–
Cash and bank balances				
Subsidiaries	15,861,924	–	14,574,087	–
Total	15,861,924	–	14,574,087	–
Long-term receivables				
Subsidiaries	50,171,953	–	39,754,253	–
Other related parties	822,846	–	465,419	–
Total	50,994,799	–	40,219,672	–
Current portion of non-current assets				
Subsidiaries	10,321,300	–	10,800,000	–
Total	10,321,300	–	10,800,000	–

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

10. Related party transactions (Continued)

(2) Balance due to/from related parties (Continued)

RMB'000

Item	31 December 2024	31 December 2023
Trade payables		
Subsidiaries	7,358,622	9,318,051
Total	7,358,622	9,318,051
Other payables		
Subsidiaries	9,446,933	13,358,158
Other related parties	133	55,680
Total	9,447,066	13,413,838
Long-term loans		
Other related parties	1,165,074	1,103,276
Total	1,165,074	1,103,276
Current portion of non-current liabilities		
Subsidiaries	60,286	127,050
Other related parties	671,802	320,000
Total	732,088	447,050
Long-term payables (including current portion)		
Subsidiaries	7,168,294	2,984,682
Total	7,168,294	2,984,682

Section X Financial Report

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

De Shi Bao (Yue) Zi (24) No. R00054

To the shareholders of China Railway Construction Corporation Limited:

We have reviewed the accompanying financial statements of China Railway Construction Corporation Limited ("the Company"), which comprise the consolidated and the Company's statements of financial position as at 30 June 2024, and the consolidated and the Company's statements of profit or loss and other comprehensive income, the consolidated and the Company's statements of changes in equity and the consolidated and the Company's statements of cash flows for the six months then ended, and the notes to the financial statements. The preparation of these financial statements is the responsibility of the management of the Company. Our responsibility is to express a report on review of these financial statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the financial statements are free from material misstatements. A review is limited primarily to procedures as enquiry of the entity's personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises and cannot present fairly, in all material respects, the consolidated and the Company's financial position as at 30 June 2024, and financial performance and cash flows for the six months ended 30 June 2024.

Deloitte Touche Tohmatsu CPA LLP
Shanghai China

Chinese Certified Public Accountant: **Chen Xi**

Chinese Certified Public Accountant: **Zhou Hongyu**

30 August 2024

This Report on Review of Interim Financial Statements and the accompanying financial statements are English translations of the Report on Review of Interim Financial Statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and financial performance and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Statement of Financial Position

As at 30 June 2024

RMB'000

ASSETS	Note V	30 June 2024 (unaudited)	31 December 2023
Current assets			
Cash and bank balances	1	158,706,502	166,957,837
Held-for-trading financial assets	2	1,561,016	1,629,785
Bills receivable	3	1,525,080	3,229,041
Receivables at fair value through other comprehensive income	4	1,718,133	2,723,520
Trade receivables	5	180,180,279	155,809,067
Advances to suppliers	6	24,774,821	21,712,629
Other receivables	7	64,568,691	56,902,615
Inventories	8	314,045,025	307,642,792
Contract assets	9	302,595,876	291,782,104
Current portion of non-current assets	10	18,532,277	29,531,809
Other current assets	11	37,782,051	26,831,432
Total current assets		1,105,989,751	1,064,752,631
Non-current assets			
Loans and advances to customers	12	1,725,125	1,686,305
Long-term receivables	13	120,717,474	109,859,078
Long-term equity investments	14	154,781,882	149,278,357
Debt investments	15	5,790,516	6,016,176
Other debt investments		–	5,115,845
Other non-current financial assets	16	11,669,171	10,287,149
Other equity instrument investments	17	12,929,050	12,575,571
Investment properties	18	11,477,930	11,399,446
Fixed assets	19	73,200,252	73,269,486
Construction in progress	20	5,644,712	5,810,715
Right-of-use assets	21	7,364,649	7,140,700
Intangible assets	22	87,047,034	69,736,458
Development expenditure		16,169	15,472
Goodwill	23	55,617	55,617
Long-term prepayments		904,702	852,730
Deferred tax assets	24	11,550,447	11,211,912
Other non-current assets	25	134,977,040	123,955,930
Total non-current assets		639,851,770	598,266,947
TOTAL ASSETS		1,745,841,521	1,663,019,578

The accompanying notes form part of the financial statements.

The financial statements on page 128 to page 411 have been signed by the following:

Chairman of the Company
Dai Hegen

CFO
Zhu Hongbiao

Head of the Finance Department:
Wang Lei

Consolidated Statement of Financial Position (continued)

As at 30 June 2024

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	30 June 2024 (unaudited)	31 December 2023
Current liabilities			
Short-term loans	26	163,522,721	81,839,758
Due to customers	27	1,276,334	1,356,691
Bills payable	28	41,060,153	53,461,242
Trade payables	29	469,938,518	491,567,214
Advances from customers		292,374	233,083
Contract liabilities	30	121,842,746	150,196,302
Employee benefits payable	31	14,818,707	16,117,433
Taxes payable	32	6,159,085	9,059,277
Other payables	33	133,151,039	106,058,137
Current portion of non-current liabilities	34	64,745,945	54,468,518
Other current liabilities	35	35,192,149	33,694,786
Total current liabilities		1,051,999,771	998,052,441
Non-current liabilities			
Long-term loans	36	201,419,722	165,621,478
Bonds payable	37	26,665,330	31,031,549
Lease liabilities	38	4,011,675	4,080,407
Long-term payables	39	42,236,181	41,263,172
Long-term employee benefits payable		59,162	65,376
Provisions		1,537,895	1,449,484
Deferred income		964,370	1,012,593
Deferred tax liabilities	24	1,903,073	2,008,603
Other non-current liabilities		987,666	1,314,702
Total non-current liabilities		279,785,074	247,847,364
Total liabilities		1,331,784,845	1,245,899,805
Shareholders' equity			
Share capital	40	13,579,542	13,579,542
Other equity instruments	41	60,662,550	59,463,430
Capital reserve	42	48,529,306	48,847,173
Other comprehensive income	43	(702,807)	(667,494)
Special reserve	44	—	—
Surplus reserve	45	6,789,771	6,789,771
Retained earnings	46	187,735,905	181,825,095
Total equity attributable to owners of the Company		316,594,267	309,837,517
Non-controlling interests		97,462,409	107,282,256
Total shareholders' equity		414,056,676	417,119,773
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,745,841,521	1,663,019,578

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

RMB'000

ITEM	Note V	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June, 2023 (unaudited)
Revenue	47	516,136,718	541,059,991
Less: Cost of sales	47	469,070,241	492,871,297
Taxes and surcharges	48	1,561,668	1,512,628
Selling and distribution expenses	49	2,964,103	3,316,927
General and administrative expenses	50	10,235,150	10,536,637
Research and development expenses	51	8,610,730	8,293,309
Finance costs	52	2,958,492	1,598,169
Including: Interest expenses		4,201,799	3,127,939
Interest income		1,683,522	2,051,357
Add: Other income		288,889	363,403
Investment losses	55	(953,297)	(1,814,446)
Including: Share of (losses)/profits of associates and joint ventures		(504,647)	203,817
Losses from derecognition of financial assets measured at amortised cost		(878,391)	(2,504,301)
Losses on fair value changes		(278,239)	(12,516)
Impairment losses on assets	53	(558,173)	(636,240)
Impairment of credit losses	54	(1,703,619)	(1,314,307)
Gains on disposal of assets		167,206	51,953
Operating profit		17,699,101	19,568,871
Add: Non-operating income	56	483,766	449,181
Less: Non-operating expenses	57	321,831	299,826
Profit before tax		17,861,036	19,718,226
Less: Income tax expenses	59	2,902,778	3,226,648
Net profit		14,958,258	16,491,578
Classified by the continuity of operation			
Net profit from continuing operations		14,958,258	16,491,578
Net profit from discontinued operations		–	–

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the six months ended 30 June 2024

RMB'000

ITEM	Note V	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June, 2023 (unaudited)
Classified by the ownership			
Net profit attributable to owners of the Company		11,902,158	13,648,610
Net profit attributable to non-controlling interests		3,056,100	2,842,968
Other comprehensive (expenses)/income, net of tax	43	(3,492)	1,006,819
Other comprehensive (expenses)/income attributable to owners of the Company, net of tax		(63,693)	990,323
Other comprehensive income/(expenses) not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		49,888	(94,047)
Other comprehensive income/(expenses) to be reclassified to profit or loss			
Shares of other comprehensive income that will be reclassified subsequently into profit or loss by the investee under equity method		2,320	507,097
Changes in fair value of other debt investments		(7,651)	5,946
Exchange differences on translation of foreign operations		(104,731)	569,363
Changes in fair value of receivables at fair value through other comprehensive income		(3,519)	1,964
Other comprehensive income attributable to non-controlling interests, net of tax		60,201	16,496
Total comprehensive income		14,954,766	17,498,397
Including:			
Total comprehensive income attributable to owners of the Company		11,838,465	14,638,933
Total comprehensive income attributable to non-controlling interests		3,116,301	2,859,464
Earnings per share:			
Basic earnings per share (RMB/share)	60	0.79	0.91
Diluted earnings per share (RMB/share)	60	0.79	0.91

Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

RMB'000

ITEM	Note V	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June, 2023 (unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from the sale of goods or rendering of services		496,064,021	540,413,537
Refunds of tax		933,485	1,090,597
Net decrease in due to customers and due to banks		(80,357)	(1,725,900)
Cash received from other operating activities	61(1)	10,039,124	11,136,526
Subtotal of cash inflows from operating activities		506,956,273	550,914,760
Cash paid for goods and services		519,838,813	503,318,852
Net decrease in loans and advances to customers		47,180	250,000
Net (decrease)/increase in balances with the central bank		(16,680)	268,331
Cash paid to and on behalf of employees		41,808,029	40,026,830
Payments of various types of taxes		14,325,018	15,888,997
Cash paid for other operating activities	61(2)	12,630,196	10,504,727
Subtotal of cash outflows from operating activities		588,632,556	570,257,737
Net cash flows used in operating activities	62(1)	(81,676,283)	(19,342,977)
2. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from disposal of investments		10,504,732	5,925,140
Cash received from investment income		757,597	703,284
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		720,373	767,518
Net decrease in cash and bank balances with title restrictions		384,485	167,825
Cash received from other investing activities		1,562,603	105,500
Subtotal of cash inflows from investing activities		13,929,790	7,669,267
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		17,960,099	14,987,958
Cash paid for acquisition of investments		15,838,860	19,546,355
Net cash payments for acquisitions of subsidiaries and other business units		–	197
Cash paid for other investing activities		1,109,220	1,485,186
Subtotal of cash outflows from investing activities		34,908,179	36,019,696
Net cash flows used in investing activities		(20,978,389)	(28,350,429)

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2024

RMB'000

ITEM	Note V	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June, 2023 (unaudited)
3. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received as capital contributions		4,452,804	3,995,992
Including: Cash received from non-controlling shareholders of subsidiaries		1,454,602	1,497,535
Cash received from issuing bonds		5,175,000	11,900,000
Cash received from borrowings		240,379,857	147,987,926
Cash received from other financing activities		1,158,500	411,997
Subtotal of cash inflows from financing activities		251,166,161	164,295,915
Cash repayments for borrowings		131,948,845	93,167,307
Cash paid for distribution of dividends or profits and for interest expenses		10,464,440	8,941,452
Including: Cash paid to non-controlling shareholders for distribution of dividends by subsidiaries		2,323,200	2,081,623
Cash paid for other financing activities	61(3)	13,420,939	1,250,738
Subtotal of cash outflows from financing activities		155,834,224	103,359,497
Net cash flows generated from financing activities		95,331,937	60,936,418
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(550,674)	(499,625)
5. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,873,409)	12,743,387
Add: Cash and cash equivalents at beginning of the period	62(3)	152,637,777	144,515,492
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	62(3)	144,764,368	157,258,879

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

RMB'000

ITEM	For the six months ended 30 June 2024 (unaudited)									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2023	13,579,542	59,463,430	48,847,173	(667,494)	-	6,789,771	181,825,095	309,837,517	107,282,256	417,119,773
II. Increase/(decrease) during the period	-	1,199,120	(317,867)	(35,313)	-	-	5,910,810	6,756,750	(9,819,847)	(3,063,097)
(I) Total comprehensive income	-	-	-	(63,693)	-	-	11,902,158	11,838,465	3,116,301	14,954,766
(II) Capital contributions and withdrawals by shareholders	-	1,199,120	(317,867)	-	-	-	-	881,253	(10,427,605)	(9,546,352)
1. Capital contributions and withdrawals by Shareholders	-	-	(383,324)	-	-	-	-	(383,324)	(11,623,187)	(12,006,511)
2. Capital contributions and withdrawals by other equity instruments holders (Note V.41)	-	1,199,120	(918)	-	-	-	-	1,198,202	-	1,198,202
3. Equity transactions with non-controlling interests (Note V.42)	-	-	66,375	-	-	-	-	66,375	1,195,582	1,261,957
(III) Profit distribution	-	-	-	-	-	-	(5,962,968)	(5,962,968)	(2,508,543)	(8,471,511)
1. Distribution to shareholders (Note V.46)	-	-	-	-	-	-	(5,962,968)	(5,962,968)	(2,508,543)	(8,471,511)
(IV) Special reserve (Note V.44)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	8,757,149	-	-	8,757,149	-	8,757,149
2. Used in current period	-	-	-	-	(8,757,149)	-	-	(8,757,149)	-	(8,757,149)
(V) Others (Note V.43)	-	-	-	28,380	-	-	(28,380)	-	-	-
III. As at 30 June 2024	13,579,542	60,662,550	48,529,306	(702,807)	-	6,789,771	187,735,905	316,594,267	97,462,409	414,056,676

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2024

RMB'000

For the six months ended 30 June 2023 (unaudited)										
ITEM	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other			Retained earnings	Subtotal		
				Comprehensive income	Special reserve	Surplus reserve				
I. As at 31 December 2022	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	162,067,076	290,483,983	95,531,880	386,015,863
(I) Changes in accounting policies	-	-	-	-	-	-	(85,944)	(85,944)	(9,867)	(95,811)
II. As at 1 January 2023	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052
III. Increase/(decrease) during the period	-	2,498,457	(1,423)	990,323	-	-	8,592,250	12,079,607	2,525,853	14,605,460
(I) Total comprehensive income	-	-	-	990,323	-	-	13,648,610	14,638,933	2,859,464	17,498,397
(II) Capital contributions and withdrawals by shareholders	-	2,498,457	(1,423)	-	-	-	-	2,497,034	1,910,955	4,407,989
1. Capital contributions and withdrawals by Shareholders	-	-	-	-	-	-	-	-	1,497,535	1,497,535
2. Capital contributions and withdrawals by other equity instruments holders (Note V.41)	-	2,498,457	-	-	-	-	-	2,498,457	-	2,498,457
3. Equity transactions with non-controlling interests	-	-	(1,423)	-	-	-	-	(1,423)	413,420	411,997
(III) Profit distribution	-	-	-	-	-	-	(5,056,360)	(5,056,360)	(2,244,566)	(7,300,926)
1. Distribution to shareholders (Note V.46)	-	-	-	-	-	-	(5,056,360)	(5,056,360)	(2,244,566)	(7,300,926)
(IV) Special reserve (Note V.44)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	7,874,849	-	-	7,874,849	-	7,874,849
2. Used in current period	-	-	-	-	(7,874,849)	-	-	(7,874,849)	-	(7,874,849)
IV. As at 30 June 2023	13,579,542	62,458,134	48,905,633	171,184	-	6,789,771	170,573,382	302,477,646	98,047,866	400,525,512

The Company's Statement of Financial Position

As at 30 June 2024

RMB'000

ASSETS	Note XIV	30 June 2024 (unaudited)	31 December 2023
Current assets			
Cash and bank balances		28,772,142	19,640,835
Held-for-trading financial assets		57,803	63,368
Trade receivables	1	2,457,226	2,854,061
Advances to suppliers		223,226	574,398
Other receivables	2	23,617,375	18,985,581
Inventories		280	2,758
Contract assets		445,018	666,681
Current portion of non-current assets		5,179,053	10,800,000
Other current assets		155,159	149,127
Total current assets		60,907,282	53,736,809
Non-current assets			
Long-term receivables		48,696,733	43,541,609
Long-term equity investments	3	103,305,853	103,305,853
Other equity instrument investments		360,201	307,245
Fixed assets		340,512	352,035
Construction in progress		49,530	21,146
Right-of-use assets		8,988	3,200
Intangible assets		178,186	191,072
Long-term prepayments		5,341	6,494
Other non-current assets		2,915,005	2,411,623
Total non-current assets		155,860,349	150,140,277
TOTAL ASSETS		216,767,631	203,877,086

The Company's Statement of Financial Position (continued)

As at 30 June 2024

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note XIV	30 June 2024 (unaudited)	31 December 2023
Current liabilities			
Short-term loans		2,900,000	–
Trade payables		8,013,280	9,451,734
Contract liabilities		380,912	388,349
Employee benefits payable		168,216	138,035
Taxes payable		5,799	8,799
Other payables	4	19,114,651	14,427,368
Current portion of non-current liabilities		313,169	542,228
Other current liabilities		512,042	595,629
Total current liabilities		31,408,069	25,552,142
Non-current liabilities			
Long-term loans	5	3,891,276	3,734,276
Lease liabilities		4,477	661
Long-term payables		3,540,890	3,030,202
Long-term employee benefits payable		4,863	4,904
Deferred income		–	4,050
Deferred tax liabilities		37,557	30,442
Total non-current liabilities		7,479,063	6,804,535
Total liabilities		38,887,132	32,356,677
Shareholders' equity			
Share capital	Note V. 40	13,579,542	13,579,542
Capital reserve		46,857,038	46,857,956
Other comprehensive income		104,157	64,440
Other equity instruments	Note V. 41	60,662,550	59,463,430
Special reserve		–	–
Surplus reserve	Note V. 45	6,789,771	6,789,771
Retained earnings		49,887,441	44,765,270
Total shareholders' equity		177,880,499	171,520,409
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		216,767,631	203,877,086

The Company's Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

RMB'000

ITEM	Note XIV	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Revenue	6	5,255,972	4,162,787
Less: Cost of sales	6	5,174,237	3,786,455
Taxes and surcharges		1,266	2,850
Selling and distribution expenses		17,519	261,884
General and administrative expenses		274,669	249,425
Research and development expenses		17,890	1,863
Finance costs	7	(1,087,338)	(971,588)
Including: Interest expenses		225,923	359,066
Interest income		1,346,537	1,477,692
Add: Other income		6,127	1,488
Investment income	8	10,224,556	8,615,659
Losses on fair value changes		(5,565)	(2,505)
Impairment (losses)/gains on assets		(3,094)	7,905
Impairment of credit gains/(losses)		1,573	(10,428)
Operating profit		11,081,326	9,444,017
Add: Non-operating income		61	72
Less: Non-operating expenses		2,372	139
Profit before tax		11,079,015	9,443,950
Less: Income tax expenses		(6,124)	108,854
Net profit		11,085,139	9,335,096
Classified by the continuity of operation			
Net profit from continuing operations		11,085,139	9,335,096
Net profit from discontinued operations		–	–
Other comprehensive income, net of tax		39,717	31,256
Other comprehensive income not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		39,717	31,256
Total comprehensive income		11,124,856	9,366,352

The Company's Statement of Cash Flows

For the six months ended 30 June 2024

RMB'000

ITEM	Note XIV	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from the sale of goods or rendering of services		6,529,297	4,756,233
Refunds of tax		–	69
Cash received from other operating activities		11,022,502	7,080,289
Subtotal of cash inflows from operating activities		17,551,799	11,836,591
Cash paid for goods and services		6,397,671	4,746,942
Cash paid to and on behalf of employees		177,040	183,576
Cash paid for all taxes		10,421	11,253
Cash paid for other operating activities		12,248,768	4,240,368
Subtotal of cash outflows from operating activities		18,833,900	9,182,139
Net cash flows (used in)/generated from operating activities	9(1)	(1,282,101)	2,654,452
2. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from investment income		6,840,698	8,116,700
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1	2
Subtotal of cash inflows from investing activities		6,840,699	8,116,702
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		34,912	18,723
Net increase in cash and bank balances with title restrictions		1,449	11,266
Subtotal of cash outflows from investing activities		36,361	29,989
Net cash flows generated from investing activities		6,804,338	8,086,713

The Company's Statement of Cash Flows (continued)

For the six months ended 30 June 2024

RMB'000

ITEM	Note XIV	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
3. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received as capital contributions		2,998,202	2,498,457
Cash received from borrowings		10,226,800	–
Cash received from issuing bonds		–	6,000,000
Subtotal of cash inflows from financing activities		13,225,002	8,498,457
Cash repayments for borrowings		7,358,900	11,262,968
Cash paid for distribution of dividends or profits and for interest expenses		693,841	489,880
Cash paid for other financing activities		1,803,226	2,031
Subtotal of cash outflows from financing activities		9,855,967	11,754,879
Net cash flows generated from/(used in) financing activities		3,369,035	(3,256,422)
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		5,787	25,017
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		8,897,059	7,509,760
Add: Opening Balance of Cash and Cash Equivalents	9(2)	20,064,143	18,757,618
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9(2)	28,961,202	26,267,378

The Company's Statement of Changes in Equity

For the six months ended 30 June 2024

RMB'000

ITEM	For the six months ended 30 June 2024 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2023	13,579,542	59,463,430	46,857,956	64,440	-	6,789,771	44,765,270	171,520,409
II. Increase/(decrease) during the period	-	1,199,120	(918)	39,717	-	-	5,122,171	6,360,090
(I) Total comprehensive income	-	-	-	39,717	-	-	11,085,139	11,124,856
(II) Capital contributions and withdrawals by shareholders	-	1,199,120	(918)	-	-	-	-	1,198,202
1. Capital contributions and withdrawals by other equity instruments holders (Note V.41)	-	1,199,120	(918)	-	-	-	-	1,198,202
(III) Profit distribution	-	-	-	-	-	-	(5,962,968)	(5,962,968)
1. Distribution to shareholders (Note V.46)	-	-	-	-	-	-	(5,962,968)	(5,962,968)
(IV) Special reserve (Note V.44)	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	72,647	-	-	72,647
2. Used in current period	-	-	-	-	(72,647)	-	-	(72,647)
III. As at 30 June 2024	13,579,542	60,662,550	46,857,038	104,157	-	6,789,771	49,887,441	177,880,499

The Company's Statement of Changes in Equity (continued)

For the six months ended 30 June 2024

RMB'000

ITEM	For the six months ended 30 June 2023 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	–	6,789,771	39,435,692	166,675,963
(I) Changes in accounting policies	–	–	–	–	–	–	184	184
II. As at 1 January 2023	13,579,542	59,959,677	46,869,310	41,971	–	6,789,771	39,435,876	166,676,147
III. Increase during the period	–	2,498,457	–	31,256	–	–	4,278,736	6,808,449
(I) Total comprehensive income	–	–	–	31,256	–	–	9,335,096	9,366,352
(II) Capital contributions and withdrawals by shareholders	–	2,498,457	–	–	–	–	–	2,498,457
1. Capital contributions and withdrawals by other equity instruments holders	–	2,498,457	–	–	–	–	–	2,498,457
(Note V.41)	–	2,498,457	–	–	–	–	–	2,498,457
(III) Profit distribution	–	–	–	–	–	–	(5,056,360)	(5,056,360)
1. Distribution to shareholders	–	–	–	–	–	–	(5,056,360)	(5,056,360)
(Note V.46)	–	–	–	–	–	–	–	–
(IV) Special reserve (Note V.44)	–	–	–	–	–	–	–	–
1. Appropriated in current period	–	–	–	–	69,254	–	–	69,254
2. Used in current period	–	–	–	–	(69,254)	–	–	(69,254)
IV. As at 30 June 2023	13,579,542	62,458,134	46,869,310	73,227	–	6,789,771	43,714,612	173,484,596

Notes to the Financial Statements

For the six months ended 30 June 2024

I. CORPORATE INFORMATION

China Railway Construction Corporation Limited (the “Company”) is a joint stock limited company with limited liability registered in Beijing in the People’s Republic of China (the “PRC” or “Mainland China”) on 5 November 2007. The Company’s shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered address of the Company’s head office is located at East No. 40 Fuxing Road, Haidian District, Beijing, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly consist of construction operations, plan, design and consultancy operations, trade and logistics, manufacturing operations and real estate development operations.

The Company’s parent and ultimate holding company is China Railway Construction Corporation (referred to as the “Controlling Shareholder”), a company registered in PRC.

These financial statements have been approved and authorised for issue by the board of directors of the Company on 30 August 2024.

The scope of consolidated financial statements shall be determined on the basis of control. Refer to Note VI for the changes of consolidation scope for the period.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared by the Group on a going-concern basis in accordance with *Accounting Standards for Business Enterprises* and other relevant provisions issued and revised subsequently by the Ministry of Finance of the People’s Republic of China (“Ministry of Finance”) (collectively referred to as “Accounting Standards for Business Enterprises”). In addition, the financial statements are also disclosed in accordance with *Information Disclosure and Presentation Rules for Companies Public offering Securities No. 15 – General Provisions on Financial Reporting* (revised by China Securities Regulatory Commission in 2023).

In accordance with the *Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong* issued by the Hong Kong Stock Exchange in December 2010, the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents issued by the Ministry of Finance and China Securities Regulatory Commission (“CSRC”), the Company ceased to provide financial reports prepared in accordance with *Accounting Standards for Business Enterprises* and *International Financial Reporting Standards* separately to A-share shareholders and H-share shareholders from the year of 2011 with the approval of the Company’s general meeting of shareholders. Instead, the Company provides all shareholders with financial reports solely prepared in accordance with *China Accounting Standards*, taking into account the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in preparing such financial reports.

The Group has adopted accrual basis for accounting measurement. The financial statements have been presented under the historical cost, except for certain financial assets which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and accounting estimates, including the impairment of receivables and contract assets, the measurement of inventories, the provisions for decline in value of inventories, the depreciation methods and the depreciation rates of the fixed assets, the amortisation methods of the intangible assets, the method of long-term assets impairment testing, and the policy for revenue recognition, etc.

1. *Statement of compliance with Accounting Standards for Business Enterprises*

The financial statements present fairly and fully the financial position of the Group and the Company as at 30 June 2024 and the consolidated and the Company's financial performance, the consolidated and the Company's changes in equity and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. *Accounting period*

The accounting year of the Group is from 1 January to 31 December of each calendar year. The reporting period for the financial statements is from 1 January 2024 to 30 June 2024.

3. *Functional currency*

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company may determine their own functional currencies based on their specific economic environments. The Group adopts RMB to prepare its financial statements.

4. *Determination method for materiality criterion and basis for selection*

The Group applies the principle of materiality to prepare and present financial statements. An item is material if it is reasonably expected that the omission or misstatement of the item in the financial statements would affect the economic decision made by the user accordingly. When judging the materiality, the Group determined whether the item is material from two aspects, the nature of the item (whether it arises from the Group's normal activities, whether it materially affects the Group's financial position, financial performance, and cash flows, etc) and the amount of the item (the proportion of the amount to the Group's key financial indicator, including revenue, cost of sales, net profit, total assets, total liabilities, total shareholders' equity or the proportion to the amount of specific line item).

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. *Business combinations*

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

5.1 **Business**

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs, and its costs or revenue generated can be calculated independently.

The sets of activities and assets acquired in the combination can be considered as business only when the sets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When no output created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes, and including necessary materials, rights, other necessary economic resources and other necessary inputs, for example techniques, research and development projects, real estates, mining equity, etc.

When outputs created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant costs.

When judging the sets of activities and assets acquired in the combination can be considered as business, the Group considers that it can be managed and operated as a business from the perspective of market participants, rather than judging by the management intention or the operating history of the acquiree.

5.2 **Business combinations involving entities under common control**

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is a party being acquired. The combination date is the date on which the acquirer effectively obtains control of the party being acquired.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. *Business combinations (continued)*

5.2 **Business combinations involving entities under common control (continued)**

Assets and liabilities (including the goodwill recognised by the ultimate controlling party in acquisition of the acquiree) that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the combination date as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the year in which they are incurred.

5.3 **Business combinations involving entities not under common control**

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the purchase date.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. *Business combinations (continued)*

5.3 Business combinations involving entities not under common control (continued)

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable assets. Goodwill is subsequently measured at cost deducted by accumulated provision. If the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognised in profit or loss.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was affected, the acquirer recognises and measures the combination using those provisional values. Any adjustments to those provisional values within twelve months after the acquisition date are treated as if they had been recognised and measured on the acquisition date.

6. *Consolidated financial statements*

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (continued)

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "non-controlling interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "net profit attributable to non-controlling interests" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under shareholders' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received on disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. *Consolidated financial statements (continued)*

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights related to administrative tasks only. The relevant activities of a structured entity are directed by means of contractual agreements. When the Group acts as an asset manager in a structured entity, the Group is required to determine whether it is exercising decision-making rights as a principal or an agent in the structured entities. If the Group (as an asset manager) is only acting as an agent, it exercises decision-making rights on behalf of the principal (other investors of the structured entities) and does not control the structured entities. If the Group (as an asset manager) is exercising decision-making rights on its own behalf, it is the principal and controls the structured entities.

7. *Joint arrangement and joint operations*

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In respect of joint operations, the Group as a party of joint operation recognises its interest in a joint operation: (1) its assets held individually and its share of assets held jointly; (2) its liabilities assumed individually and its share of liabilities assumed jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its expenses incurred individually and its share of expenses incurred jointly.

The Group measures its joint ventures under equity method, please refer to Note III. 13.3.2.

8. *Cash and cash equivalents*

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

9. *Foreign currency transactions and foreign currency translations*

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rate ruling at the balance sheet date. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign spot exchange rates at the transaction dates and do not change the amounts of functional currency.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Foreign currency transactions and foreign currency translations (continued)*

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates functional currencies of overseas financial statements into RMB financial statements. All assets and liabilities are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the spot exchange rates ruling at the transaction dates; all items in the statement of profit or loss and other comprehensive income and items reflect amounts of profit distribution are translated at the spot exchange rates at the transaction dates. The undistributed profit at the beginning of the year/period equals the translated undistributed profit of the previous year/period; the undistributed profit at the end of the year/period is calculated according to the translated profit distribution items. Exchange fluctuations arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to profit or loss in the same period.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the spot exchange rates ruling at the dates of the cash flows. The effect of changes in exchange rates on cash and cash equivalents are presented as a reconciled item separately in the statement of cash flows.

10. *Financial instruments*

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument. For the financial assets that are purchased and sold under regular ways, the assets to be acquired and the liabilities to be assumed are recognised on the trade days, and the assets sold are derecognised on the trade days.

On initial recognition, financial assets and financial liabilities are recognised at fair value. For financial assets and financial liabilities at fair value through profit or loss (FVTPL), relevant transaction costs are directly recognised in profit or loss; transaction costs relating to other categories of financial assets and financial liabilities are included in the value initially recognised. For trade receivables initially recognised that do not contain a significant financing component or a financing component included in the contracts less than one year which are not considered, which are within the scope of *Accounting Standard for Business Enterprises No. 14 – Revenue* (ASBE No. 14), transaction prices shall be adopted on initial recognition.

The effective interest method is a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation of the interest income or interest expense in profit or loss over the relevant period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. *Financial instruments (continued)*

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all the contractual terms of the financial asset or financial liability (for example, prepayment, extension, call option or similar options) but shall not consider the expected credit losses ("ECL").

The amortised cost of a financial asset or a financial liability is the amount of a financial asset, or a financial liability initially recognised net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative credit loss allowance (only applicable to financial assets).

10.1 Classification and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income (FVTOCI) or at FVTPL.

10.1.1 *Financial assets measured as at amortised cost*

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model of which objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial assets measured at amortised cost. The Group's financial assets measured at amortised cost including cash and bank balances, bills receivable, trade receivables, other receivables, loans and advances to customers, long-term receivables due within one year that are presented under non-current assets due within one year and debt investments due within one year that are presented under non-current assets due within one year.

The above financial assets are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.1 Classification and measurement of financial assets (continued)

10.1.1 Financial assets measured as at amortised cost (continued)

Interest income from financial assets at amortised cost is recognised based on the effective interest method. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial asset, except:

- (1) For the purchased or internally generated credit-impaired financial assets, the Group recognises interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- (2) For the purchased or internally generated financial assets without credit-impairment but subsequently becoming credit-impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If the credit impairment no longer exists due to an improvement in credit risk of the financial instruments subsequently and such improvement is relevant to some events occurred after applying the policies mentioned above, the Group recognises interest income based on applying effective interest rate to gross carrying amount of the financial assets.

10.1.2 Financial assets classified as at FVTOCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI: the financial asset is held within a business model of which objective is achieved by both collecting contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as at FVTOCI are presented by the Group as other debt investments (non-current assets due within one year and are present as Current portion of non-current assets) and receivables at FVTOCI in financial statements.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.1 Classification and measurement of financial assets (continued)

10.1.2 Financial assets classified as at FVTOCI (continued)

Financial assets classified as at FVTOCI's relevant loss/gain on impairment and interest income based on effective interest rate are recognised in profit or loss. Except for the above circumstances, changes in fair value of such financial assets are all recognised in other comprehensive income. Such financial assets' changes that are recognised in profit or loss in each period equal to their changes that are recognised in profit or loss in each period as they are measured at amortised cost from acquisition date. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in profit or loss.

10.1.3 Financial assets designated as at FVTOCI

On initial recognition, the Group may irrevocably designate non-trading equity instruments as financial assets at FVTOCI on an individual basis. Financial assets designated as at FVTOCI are presented by the Group as other equity instrument investments in financial statements.

The fair value changes of such financial asset is recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in equity instruments, dividend income is recognised in profit or loss for the period when the Group has right to collect dividend, the economic benefits associated with dividend will probably flow into the Group and the amount of dividend can be reliably measured.

10.1.4 Financial assets measured at FVTPL

Any financial assets that do not qualify for amortised cost measurement or measurement at FVTOCI or designated at FVTOCI are classified into financial assets at FVTPL. FVTPL are presented by the Group as held-for-trading financial assets and other non-current financial assets items in the statement of financial position, based on its liquidity.

The above financial assets are subsequently measured at fair value. Gains or losses arising from fair value changes and dividends and interest income in relation to such financial assets are recognised in profit or loss for the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.2 Impairment of financial assets

The Group recognises loss allowance for financial assets measured as at amortised cost, financial assets classified as at FVTOCI, lease receivables, contract assets and financial guarantee contracts based on ECL.

The Group measures loss allowance for contract assets, trade receivables and lease receivables based on the amount of full lifetime ECL.

For other financial instruments, except for the purchased or internally generated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has not increased significantly since initial recognition, the Group recognises loss allowance based on 12-month ECL of the financial instrument. If the credit risk of the above financial instruments has increased significantly, the Group measures loss based on the amount of ECL for their full lifetime. The increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for financial assets classified as at FVTOCI, allowance for credit losses decreases the gross carrying amount of financial assets. For financial assets classified as at FVTOCI, the Group recognises credit loss allowance in other comprehensive income and does not decrease the carrying amount of such financial assets in the statement of financial position.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, at each balance sheet date, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at each balance sheet date. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.2 Impairment of financial assets (continued)

10.2.1 Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group uses available, reasonable and supportable forward-looking information, to compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For financial guaranteed contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: Whether the actual or expected operating results of the debtor have changed significantly; Whether supervisory, economic or technical environment for the debtor has significant detrimental changes; Whether value of collateral against debt mortgage or guarantee/credit enhancement provided by a third party has changed significantly. It is expected that the aforesaid changes are economic motives that will lower the debtor's repayment based on contractual stipulation or have an impact on probability of default; Whether the debtor's expected performance and repayment activities have changed significantly; Whether the Group's financial instrument management measures have changed, etc.

At the balance sheet date, the Group assumes that credit risk of the financial instrument has not increased significantly since initial recognition when the Group determines that the financial instrument is only exposed to low credit risk. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.2 Impairment of financial assets (continued)

10.2.2 Credit-impaired financial assets

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

- (1) Significant financial difficulty of the issuer or debtor;
- (2) A breach of contract by the debtor, such as a default or overdue in interest or principal payments;
- (3) The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It becomes probable that the debtor will enter bankruptcy or other financial reorganisations;
- (5) Other objective evidence indicating the impairment of financial assets.

10.2.3 Measurement and recognition of ECL

The Group recognises credit losses for lease receivables and financial guarantee contracts on an individual basis. For trade receivables and contract assets, the Group individually assesses credit losses for those individually significant and credit-impaired and uses provision matrix to assess credit losses for the remaining. For other financial assets measured as at amortised cost and financial assets measured at FVTOCI, the Group assesses credit losses on an individual basis for those individually significant and credit-impaired or those individually significant and their credit risk has increased significantly since initial recognition but not credit-impaired, besides, the Group uses provision matrix to assess credit losses for the remaining. The Group classifies financial instruments into different groups based on credit risk characteristics. Credit risk characteristics include type of financial instruments, credit risk rating, contractual billing period and industry of debtor etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.2 Impairment of financial assets (continued)

10.2.3 Measurement and recognition of ECL (continued)

ECL of relevant financial instruments is recognised based on the following methods:

- (1) For a financial asset, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (2) For a lease receivable, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (3) For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- (4) For credit-impaired financial assets other than the purchased or internally generated credit-impaired financial assets at the balance sheet date, credit loss is the difference between the gross carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

10.2.4 Reduction in financial assets

The Group directly reduces the gross carrying amount of financial assets when ceasing to reasonably expect that the contractual cash flow of such financial assets may be fully or partially recoverable. Such reduction comprises derecognition of relevant financial assets.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; or (3) although the financial asset has been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- (1) For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at FVTPL.
- (2) For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the date of derecognition and the consideration received from the transfer; and (2) the accumulated changes in fair value initially recorded in other comprehensive income is recognised in profit or loss. While regarding non-trading equity instruments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.3 Transfer of financial assets (continued)

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts at the date of transfer. The difference between (1) the consideration received from the transfer; and (2) the cumulative changes in fair value previously recognised in other comprehensive income allocated to the part derecognised plus the carrying amount allocated to the part derecognised is recognised in profit or loss. If the Group transfers a financial asset that belongs to non-trading equity instrument investments designated as at FVTOCI, the cumulative gains or losses previously recognised in other comprehensive income allocated to the part derecognised are transferred and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and recognises the consideration received as a liability.

10.4 Classification and measurement of financial liabilities

The Group's financial instruments or their components are, on initial recognition, classified into financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms and in combination with definitions of financial liability and equity instruments, instead of only on the basis of the legal form.

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

10.4.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated as at FVTPL.

Held-for-trading financial liabilities are subsequently measured at fair value, any gains or losses arising from changes in fair value and any dividend or interest income earned on the financial liabilities are recognised in profit or loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.4 Classification and measurement of financial liabilities (continued)

10.4.2 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, gains or losses arising from derecognition, or amortisation are recognised in profit or loss for the period.

10.4.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at FVTPL are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognised less cumulative amortisation amount during the guarantee period.

10.5 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

10.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Changes of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, dividends paid do not affect total amount of shareholders' equity.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.7 Derivatives and embedded derivatives

Derivative financial instruments related to the Group include option contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The changes in fair value are recognised in profit or loss.

For hybrid contract constituted by embedded derivatives and host contract, if the host contract is a financial asset, the embedded derivative is not separated from the hybrid contract, and the hybrid contract shall be taken as a whole to apply to the accounting standards for the classification of financial assets.

If the host contract included in the hybrid contract is not a financial asset and meets all of the following criteria, the embedded derivative shall be separated from the hybrid contract by the Group and treated as a standalone derivative.

- (1) The economic characteristics and risks of the embedded derivative are not highly related to the economic characteristics and risks of the host contract;
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (3) The hybrid instrument is not designated as a financial asset or financial liability at FVTPL.

If the embedded derivative is separated from the hybrid contract, the host contract shall be accounted for in accordance with the appropriate standards. If the Group is unable to measure reliably the fair value of an embedded derivative on the basis of its terms and conditions, the fair value of the embedded derivative is the difference between the fair value of the hybrid contract and the fair value of the host. If the Group is still unable to measure the fair value of the embedded derivative separately either at acquisition or at a subsequent reporting date after the above methods are applied, it designates the entire hybrid contract as a financial instrument at FVTPL.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (continued)

10.8 Convertible bonds

Convertible bonds issued by the Group that contain liability and conversion option are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is accounted for as equity rather than conversion option derivatives.

Convertible bonds are initially recognised at fair value at the issue date. If the convertible bonds include equity instruments, the fair value of liability component of the convertible bonds is determined based on the market value of similar bonds which have no conversion option. The balance of issue price and the fair value of liability is the value of conversion option and is recognised in shareholders' equity. The liability and conversional-embedded derivatives of the convertible bonds which include conversional embedded derivatives are initially recognised at fair value at the issue date.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss. The conversion option classified as equity remains in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of the convertible bonds are allocated to the liability, equity and derivative financial instruments components in proportion to their respective fair values. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the derivative financial instruments are charged to profit or loss.

10.9 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset, and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. *Inventories*

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties held for sale. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, expenditures of land development, construction costs, infrastructure costs, costs of supporting facilities and other relevant costs.

Inventories are initially measured at actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined using the first-in first-out, weighted average or specific identification method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised using immediate write-off, and other turnover materials are amortised based on the number of times that they are estimated to be used.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realisable value. If the cost is in excess of net realisable value, provision for inventories is recognised in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the profit or loss for the current period.

Net realisable value is the estimated selling price under normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. *Held-for-sale assets*

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (including an exchange of nonmonetary assets with commercial substance) rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognised before being classified to held-for-sale category is not reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

13. *Long-term equity investments*

13.1 *Basis for determining joint control and significant influence*

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (continued)

13.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree on the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred, and liabilities assumed adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition on the date of combination. For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not under common control, this should be dealt with for whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as one transaction to acquire control. If it does not belong to 'package deal', the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for other investments in equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings for the current period.

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fee, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with *Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement* (ASBE No. 22) and the additional investment cost.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (continued)

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

13.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence, and a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (continued)

13.3 Subsequent measurement and recognition of profit or loss (continued)

13.3.2 Long-term equity investment accounted for using the equity method (continued)

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or other comprehensive income respectively for the period. Meanwhile, the carrying amount of long-term equity investments will be adjusted accordingly; for the share of the investee's profit or cash dividends declared by the investee, the carrying amount of long-term equity should be decreased accordingly; for changes in owner's equity rather than the investee's net profit or loss, other comprehensive income and profit distribution, carrying amount of long-term equity investments should be adjusted and included in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investee adopts different accounting policies and accounting period with the Company's, the financial statements are adjusted in accordance with the Company's accounting policies and accounting period, and then investment income and other comprehensive income are recognised. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures and contributions or sales of assets that do not constitute business are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised profit or loss resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (continued)

13.4 Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the consideration shall be recorded through profit or loss in the current period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee, recognised in profit or loss of current period and carried forward proportionately; other shareholders' equity recognised from changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, is accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately; changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution are recognised in profit or loss for the current period and carried forward proportionately.

The Group loses control on investee due to disposal of part of shares, when preparing separate financial statement, remaining shares after disposal which can make joint control or significant influence on investee, are accounted under equity method, and are adjusted as they are accounted under equity method from acquisition date; if remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instrument, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. *Investment properties*

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out; land use rights held for transfer upon capital appreciation; and buildings that are leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment real estate is disposed of or permanently retired from use and no economic benefits are expected from its disposal, the investment real estate shall be derecognised.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

15. *Fixed assets*

A fixed asset is a tangible asset of which useful life exceeds one accounting year and which is held for production of goods, rendering services, offering leases or operation and management. A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditure shall be recognised in profit or loss for the period in which it is incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (continued)

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, the cost of the fixed asset shall be determined based on the present value of the instalment payments. The difference between the actual payment and the present value of the purchase price is recognised in profit or loss over the credit period, except for such difference that is capitalised according to *Accounting Standard for Business Enterprises No. 17 – Borrowing Costs* (ASBE No. 17).

The accelerated depreciation method is adopted for depreciation of the fixed assets specifically used for research and development. The unit of production method is adopted for the depreciation of part of the large-scaled construction equipment. For other fixed assets, the straight-line method is adopted.

For fixed assets depreciated with the straight-line method, the estimated useful lives, estimated residual value rates and annual depreciation rates by category are as follows:

Category	Estimated residual value rates	Useful lives	Annual depreciation rates
Buildings	5%	20-35 years	2.71%-4.75%
Machinery	5%	10-25 years	3.80%-9.50%
Vehicles	5%	5-10 years	9.50%-19.00%
Production equipment	5%	5-10 years	9.50%-19.00%
Measuring and testing equipment	5%	5 years	19.00%
Others	5%	3-5 years	19.00%-31.67%

Where the individual component parts of a fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at the end of each year, makes adjustments and accounts for any change as a change in an accounting estimate when necessary.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. *Construction in progress*

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowings before the asset is ready for its intended use, and other related expenditures during the period of construction.

The timing and criteria of construction in progress to be ready for its intended use are as follows:

Buildings	completion and acceptance
Machinery and equipment	completion of installation and acceptance

17. *Borrowing costs*

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the construction or production of qualifying assets are capitalised and other borrowing costs are recognised as expenses. A qualifying asset is defined as a fixed asset or inventory that necessarily takes a substantially long period of time to get ready for its intended use or sale.

Capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have incurred;
- (2) borrowing costs have incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised as expenses in the period in which they are incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. *Borrowing costs (continued)*

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalisation are the actual borrowing costs incurred during the current period deducted by any temporary interest or investment income; and
- (2) for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the capital expenditure that accumulated capital expenditures exceed the specific borrowings.

Capitalisation of borrowing costs is suspended during extended periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than three months, until the acquisition or construction is resumed. Borrowing costs incurred during the suspension period are recognised as expenses until the acquisition or construction of a fixed asset is resumed.

18. *Intangible assets*

The Group's intangible assets include land use rights, concession rights, software licenses, mining rights and others.

An intangible asset shall be recognised only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination involving entities not under common control with a fair value that can be measured reliably are recognised separately as intangible assets and measured initially at fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the traffic volume basis, straight-line basis or unit of production basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each year end.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. *Intangible assets (continued)*

18.1 Land use rights

Land use rights represent costs incurred for a certain lease period of land.

The Group accounts for its land use rights as intangible assets. The land use rights of self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortised on the straight-line basis according to the useful lives approved in the obtained land use certificates.

18.2 Concession rights

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and other construction works) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority, or the Group purchases the concession rights directly. The assets under the concession arrangements are accounted for according to their arrangement nature, and details are set out in Note III.34.

The amortisation approach, either the traffic volume method or the straight-line method, should be selected for concession operation projects based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations.

18.3 Software licenses

The software licenses are recorded at the price actually paid upon acquisition and are amortised equally over the estimated useful life of one to ten years.

18.4 Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortisation is calculated in adoption of the unit of production method based on proved mining reserves.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. *Intangible assets (continued)*

18.5 Development expenditure

Collection scope of R&D expenditure includes wages, salaries and benefits of personnel directly engaged in R&D activities; expenses of materials, fuel and power directly consumed by R&D activities; depreciation expenses of instruments and equipment of R&D activities; leasing and maintenance expenses of R&D sites; travel, transportation and communication fee required by research and test development; as well as the entrusted development expenditure, etc.

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

19. *Long-term prepayments*

Long-term prepayments represent expenditures incurred which should be recognised as expenses over one year and should be allocated in current and subsequent periods, including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortised on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognised in profit or loss immediately as incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Provisions

Except for contingent liabilities assumed in business combinations involving entities not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

21. Revenue

The revenue of the Group is mainly generated from business types as follows:

- The construction operations, which mainly comprises the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- The plan, design and consultancy operations, which mainly comprises the provision of plan, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- The manufacturing operations, which mainly comprises the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- The real estate development operations, which mainly comprises the development, construction and sale of residential properties and commercial properties;
- The other business operations, which mainly comprises trade and logistics, finance and insurance brokerage and highway operation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (continued)

When (or as) a performance obligation in a contract is satisfied, i.e., when (or as) the customer obtains control of relevant goods or services, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

A performance obligation is the Group's promise to transfer to a customer a good or service (or a bundle of goods or services) that is distinct, in a contract with the customer.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. When the Group is not able to reasonably measure its performance progress, the Group recognises revenue only to the extent of the recoverable amount of costs incurred until such time that it can reasonably measure the performance progress.

For plan, design and consultancy operations, manufacturing operations, real estate development operations and other business operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts that the Group expects to refund to the customer.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (continued)

Significant financing component

For contracts that contain significant financing components, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when the control of goods or services is transferred to the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and shall recognise the reduction of revenue when (or as) the later of either of the following events occurs: (1) the Group recognises revenue for the transfer of the related goods or services to the customer; and (2) the Group pays or promises to pay the consideration.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to each performance obligation on a basis of relative stand-alone selling price, at which an entity would sell a promised good or service separately to a customer. When an entity has observable evidence that the contract discount or the variable consideration relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate the contract discount or the variable consideration to one or more, but not all, performance obligations in the contract.

The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Sales with warranties

For sales with warranties, if the warranties are separate services to the customer other than serving as an assurance that the products sold comply with agreed-upon specifications, the warranties constitute single performance obligations. Otherwise, the Group accounts for warranties in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies* (ASBE No. 13).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (continued)

Principal versus agent

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party or is determined by some established amounts or proportions.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs as an asset if it expects to recover these costs. The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year. Other costs of obtaining a contract are recognised in profit or loss when they occur, unless they are going to be reimbursed by customers. The asset is presented as other current assets or other non-current assets according to whether the amortisation period exceeds one normal operating period.

Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than ASBE No. 14, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset is presented as inventories or other non-current assets according to whether the amortisation period exceeds one normal operating period.

The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised as expenses in relevant periods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (continued)

Costs to fulfil a contract (continued)

When determining the impairment loss of assets related to the contract cost, in the first place, the impairment loss of other assets related to the contract and recognised in accordance with other relevant business accounting standards should be determined; Then, the Group shall recognise an impairment loss to the extent that the carrying amount of the asset mentioned above exceeds the difference between the following items: (1) the remaining amount of consideration that the Group expects to receive in transfer for the goods or services to which the asset relates; (2) the estimated costs that relate to transferring those goods or services and that have not been recognised as expenses.

The Group shall, after the impairment has been provided, recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Contract assets

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract assets are specified in Note III. 10.2. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attached and the Group would receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value of the asset. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

22.1 Judgment basis and accounting treatments for government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets.

Government grants related to assets are charged against carrying amount in related assets when related assets become ready for their intended use.

22.2 Judgment basis and accounting treatments for government grants related to income

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

For repayment of a government grant already recognised, if government grants were charged against carrying amount of the related assets at initial recognition, the repayment adjusts the carrying amount of assets. If there is related deferred income, the repayment is offset against the gross carrying amount of the deferred income, and any excess is recognised in profit or loss for the period. If there is no related deferred income, the repayment is recognised immediately in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Government grants (continued)

22.3 Relocation compensation received due to public interests

The Group receives relocation compensation directly from the government for the benefit of public interests such as urban overall planning, reservoir construction, and renovation of shanty towns and subsidence area control. The relocation compensation is paid out of financial budgets by the government and is recognised as special payable when received. Therein compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income and recognised as government grants relating to assets and government grants related to income accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

23. Income tax

Income tax expenses comprise current and deferred tax. Current tax expenses and deferred tax expenses are recognised as income or expenses in profit or loss for the current period, except for the deferred tax as an adjustment of goodwill arising from a business combination, or the current tax expenses and the deferred tax expenses to be recognised directly in other comprehensive income or shareholders' equity, which arise from transactions or events that should be recognised directly in other comprehensive income or shareholders' equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

Based on the temporary differences between the carrying amount of an asset or liability on the balance sheet date and its tax base, and the differences between the carrying amount of some items that have a tax base but are not recognised as assets and liabilities and their tax base, the Group adopts the liability method for the provision for deferred tax.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, it affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. *Income tax (continued)*

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of deductible tax losses and tax credits can be utilised, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination, at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences;
- (2) deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

24. *Leases*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identical asset for a period of time in exchange for consideration.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at inception. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (continued)

24.1 As a lessee

Separating components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises a right-of-use asset at the commencement date of the lease. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset shall include:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the Group; and
- (4) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease terms are depreciated from commencement date to the end of their useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets* (ASBE No.8).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (continued)

24.1 As a lessee (continued)

Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of a lease, the Group recognises the lease liability at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determined.

The lease payments are payments to the lessor for the right to use the underlying asset during the lease term made by the Group:

- (1) fixed payments, including in-substance fixed payments, less any lease incentives receivable, if applicable;
- (2) the exercise price of a purchase option reasonably certain to be exercised by the Group;
- (3) payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, the Group recognises interest expenses in each accounting periods during the lease, based on a constant periodic rate of interest on the remaining balance of the lease liabilities. The interest expenses are recognised into profit or loss for the current period or the cost of the related assets.

After the commencement date, if the lease term or the assessment of purchase option changes, the Group shall remeasure the lease liability, according to modified lease payments and present value with modified discount rates and make corresponding adjustments to the related right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group shall recognise any remaining amount of the remeasurement in profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (continued)

24.1 As a lessee (continued)

Short-term leases and leases of low-value assets

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and vehicles and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset is a lease that the single underlying asset, when is new, is of low value. The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and re-measures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

24.2 As a lessor

Separating components of a contract

For a contract that contains lease components and non-lease components, the Group applies ASBE No. 14 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Leases (continued)

24.2 As a lessor (continued)

Classification of leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

Recognition and measurement as a lessor of an operating lease

The Group recognises lease receivables from operating leases as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

For the contingent receivables not included in the operating lease receivables, the Group recognises into profit or loss when received.

24.3 Sale and leaseback transactions

As a seller-lessee

The Group applies the requirements of ASBE No. 14 to assess whether the sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For the sales and leaseback transaction that does not constitute a sale, the Group continues to recognise the transferred asset, and recognises a financial liability which equals to the transfer proceeds and accounts for the financial liability applying ASBE No. 22. If the sales and leaseback transaction constitute a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. After the lease commencement date, the Group shall make subsequent measurements of the right-of-use assets and lease liabilities formed by the leaseback transaction in accordance with the above provisions on subsequent measurement of such assets and liabilities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. *Impairment of long-term assets*

The Group determines the impairment of assets, other than the impairment of inventories, deferred tax assets, financial assets, contract assets and assets related to the costs incurred in fulfilling a contract, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset. Goodwill arising from a business combination and an intangible asset with an indefinite useful life is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The recoverable amount of an asset or an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is recognised as a provision for impairment loss and profit or loss for the current period.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

In impairment testing for goodwill, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognised any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent periods.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. *Employee benefits*

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouses, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

26.1 Short-term benefits

In the period of employee services, short-term benefits are actually recognised as liabilities and charged to profit or loss or the related costs of assets for the current period.

26.2 Post-employment benefits (defined contribution plans)

If employees of the Group participate in the basic pension insurance and unemployment insurance plans managed by local governments and participate in the supplementary pension insurance of the Group as well, the relevant expenditures are recorded in the relevant capital costs and expenses in the period when incurred.

26.3 Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured using the projected cumulative unit credit method.

Any re-measurement caused by the defined benefit plans, including actuarial gains or losses, is recognised in the statement of financial position immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be reversed to profit or loss in the subsequent accounting periods.

The past service costs should be recognised as current expenses at the earlier of the following dates: (1) when the Group modifies the defined benefit plans; and (2) when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognised changes in the net defined benefit obligation as general and administrative expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. *Employee benefits (continued)*

26.4 Termination benefits

The Group recognises a liability and expenses for termination benefits at the earlier of the following dates: (1) when the Group can no longer unilaterally withdraw the offer of those benefits for proposals or suggestions for termination of employment; and (2) when the Group recognises costs or expenses for restructuring and involves the payment of termination costs or expenses.

26.5 Housing funds

All full-time employees of the Group in Mainland China are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees.

26.6 Bonus entitlements

The estimated cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are estimated to be settled within 12 months and are measured at the amounts estimated to be paid when they are settled.

27. *Debt restructuring*

27.1 Recording of debt restructuring obligation as the debtor

When a debt is settled by an asset in a debt restructuring, the Group derecognises the relevant asset and the debt settled when the derecognition criteria for the asset and the debt are satisfied. The difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognised in profit or loss for the current period.

When a debt is converted into an equity instrument in a debt restructuring, the Group derecognises the debt settled when the derecognition criteria for the debt are satisfied. On initial recognition, the equity instrument are recognised at fair value. When the fair value of the equity instrument cannot be measured reliably, the equity instruments are recognised at the fair value of the debt. The difference between the carrying amount of the debt and the carrying amount of the equity instrument is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the debt restructured in accordance with ASBE No. 22 and *Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments* (ASBE No. 37).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Debt restructuring (continued)

27.1 Recording of debt restructuring obligation as the debtor (continued)

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group recognises and measures the equity instrument and the debt restructured in accordance with the policies regarding debts settled by assets and debts converted into equity instruments, as mentioned above. The difference between the carrying amount of the debt and the sum of the carrying amount of the assets transferred, the carrying amount of the equity instrument recognised and the carrying amount of the debt restructured, is recognised in profit or loss for the current period.

27.2 Recording of debt restructuring obligation as the creditor

When a debt is settled by assets in a debt restructuring, on initial recognition of the assets other than financial assets, the assets are recognised at cost.

- (1) The cost of inventories includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, insurance and other costs, for bringing the assets to the current position and condition;
- (2) The cost of fixed assets includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, installation costs, professional service costs and other costs, for bringing the assets to working condition for intended use.

The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When the debt restructuring causes the Group to convert the debt receivable to an equity investment of joint ventures or associates, the creditor shall measure the equity investment based on the sum of the fair value of debt receivable, and any directly attributable taxes and other costs of the investment. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the restructured debt receivable in accordance with ASBE No. 22.

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group first recognises and measures the financial assets received and restructured debt receivable in accordance with ASBE No. 22, and then allocates the net value, which is the fair value of the debt receivable deducted by the recognised total carrying amount of financial assets received and restructured debt receivable, to the costs of non-financial assets received based on their relative fair value. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. *Nonmonetary Transactions*

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the nonmonetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the nonmonetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

When several assets are received at the same time in an nonmonetary transaction, if the transaction is measured at fair value, the cost of each asset other than financial assets received is determined by apportioning the net amount, which is the total fair value of all assets given up deducted by the fair value of the financial assets received, based on the proportion of the fair value of each asset received, and plus related taxes payable, at initial recognition; When there is clear evidence indicating that the fair value of the received assets is more reliable, the fair value of each asset received and related taxes payable are recognised as cost of each asset received at initial recognition; If the transaction is measured at carrying amounts, the cost of each asset received is determined by apportioning the total carrying amounts of all assets given up based on the proportion of the fair value of each asset received to the total fair value of all assets received.

When several assets are given up at the same time in an nonmonetary transaction, if the transaction is measured at fair value, at each asset's derecognition, the difference between each asset's fair value and carrying amount is recognised in profit or loss for the current period; When there is clear evidence indicating that the fair value of the received assets is more reliable, the profit or loss, recognised for the current period, of derecognition of each asset given up is the net amount, which is the apportioning of the total fair value of the assets received, based on the proportion of the fair value of each asset given up to the total fair value of all assets given up, deducted by the carry amount of each asset given up; if the transaction is measured by carrying amounts, no profit or loss of derecognition of assets given up, is recognised.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Profit distribution

The cash dividend of the Company is recognised as a liability upon approval in the annual shareholders' meeting.

30. Renewable corporate bonds and other financial instruments

The renewable corporate bonds and other financial instruments issued by the Group shall be classified as equity instruments if no contractual obligations of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavourable.

For renewable corporate bonds and other financial instruments classified as equity instruments, distribution of interests and dividends are recognised into distribution of equity. Its repurchase and cancellation are recognised as changes of equity and transaction costs related to equity transactions are deducted from equity.

31. Production safety expenses

The Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2022] No. 136) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the Ministry of Emergency Management.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and other comprehensive income and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that they can access at the measurement date;

Level 2: Inputs are inputs, other than quoted process included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

33. *Asset securitisation*

The Group has securitised a portion of receivables ("underlying assets") where underlying assets are sold and transferred to a special purpose entity ("SPE"). The SPE issues senior and subordinate assets-backed securities to investors, while the Group holds some portion of subordinate assets-backed securities which are not transferrable until the principal and interests of the senior assets-backed securities have been repaid. The Group acts as an asset service provider to provide services such as asset management and collection, contract revision and other services. The cash received from the underlying assets during the periods of collection, after paying SPE taxation and relevant fees, will be firstly used to repay the principal and interests of the senior assets-backed securities; the remaining cash after paying the principal and interests in full is treated as income from subordinate assets-backed securities. The Group shares relevant income based on its proportion of subordinate assets-backed securities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. *Asset securitisation (continued)*

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

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

The Group securitised a portion of the retention receivables by selling and transferring the retention receivables to a special-purpose entity. The above accounting policy for securitised financial assets is applied by reference to the condition that the performance obligations relating to the construction of the project have been completed and the contractor has undertaken to complete the performance obligations relating to the liability for defects.

34. *Public-Private-Partnership ("PPP") project contract*

The PPP project contract represents the contract entered into between the private party and the government in respect of the Public-Private-Partnership project (hereinafter referred to as the "PPP project") in accordance with the laws and regulations. The PPP project contract shall meet the following two characteristics (hereinafter referred to as the "Dual characteristics"): (1) the private party shall utilise the PPP project assets so as to provide public goods and services on behalf of the government during the operation period stipulated in the contract; (2) the private party shall be compensated for the public goods and services it provides during the period stipulated in the contract. The PPP project contract shall also meet the following two conditions (hereinafter referred to as the "Dual controls"): (1) the government shall have control over the type, object and price of the public goods and services that must be provided by the private party through the utilisation of the PPP project assets; (2) the government shall control the significant residual interest in the PPP project assets through ownership, right to income or other forms of rights upon termination of the PPP project contract.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. *Public-Private-Partnership (“PPP”) project contract (continued)*

The Group, as the private party, has entered into PPP project contracts with the government. According to such contracts, the Group shall provide construction services (including construction, renovation and expansion, similarly hereinafter), contract out the construction to other parties or perform other obligations. And the Group shall account for such contracts and recognise contract assets based on the determination that whether it is an agent or a principal in accordance with ASBE No. 14 – Revenue.

If the Group provides multiple services (for example, provide both construction services for PPP project assets and the operation and maintenance services upon the completion of the construction) in accordance with the contract, it shall identify the single performance obligation included in the contract and allocate the transaction price to each performance obligation in accordance with the proportion of the stand-alone selling price of each performance obligation in accordance with the provisions of ASBE No. 14 – Revenue.

During the operation period of the project, if the Group has the right to receive fees from the party which obtains the public goods and services in accordance with the PPP project contract, but the amount of the fees cannot be determined, the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project will be recognised as an intangible asset and presented as concessions under the line of intangible assets in the balance sheet when the PPP project assets are ready for intended use.

During the operation of the project, if the Group has the right to receive a determinable amount of cash (or other financial assets), the Group can recognise the amount as a receivable when it has the right to receive such cash (such right only depends on the passage of time) in accordance with the PPP project contract. The Group recognises the difference between the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project and the determinable amount of cash (or other financial assets) that the Group has the right to receive as an intangible asset when the PPP project assets are ready for intended use.

For the portion of the Group’s consideration or construction revenue recognised for relevant PPP project assets that has been included in intangible assets and the contract assets recognised during the construction period, they are presented in the concessions under the line item of intangible assets; for other contract assets recognised during construction period, they are presented under the line item of contract assets or other non-current assets, depending on whether they are expected to be realised within one year since the balance sheet date.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. *Significant accounting judgments and estimates*

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at each balance sheet date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

At the balance sheet date, accounting estimates that probably lead to significant future adjustments on the carrying amount of assets and liabilities are as follows:

Revenue from construction operations

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method. The Group's management makes reasonable estimates on the expected total contract revenue and total contract costs based on the budgets prepared for construction operations to determine the performance progress and identify onerous contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Due to the nature of activities associated with construction, the Group has to continuously review and revise budget prepared for each construction operation throughout the contract period. Revision may have effect on revenue, profit and other items related to construction operations during the period when the revision incurred.

Impairment of trade receivables and contract assets

For trade receivables and contract assets scoped in ASBE No. 14, the Group measures loss allowances for trade receivables and contract assets based on lifetime ECL. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually, based on the evidence of credit-impairment and forward-looking information. Except for trade receivables and contract assets which are individually significant and credit-impaired, the Group's management classifies the trade receivables and contract assets into different portfolios based on credit risk characteristics and uses provision matrix to assess ECL. The provision rates are based on the Group's historical actual loss rates, taking into consideration forward-looking information. The impairment of trade receivables and contract assets involves management's accounting estimations and judgements. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of trade receivables and contract assets during the period when the reassessment incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. *Significant accounting judgments and estimates (continued)*

Impairment of other financial assets

For financial assets which are not scoped in ASBE No. 14, the Group assesses changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date and calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime. The calculation of ECL involves management's judgment on whether significant increase in credit risk and management's estimation on future contractual cash flows. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of financial assets during the period which the reassessment incurred.

Impairment of properties under development and completed properties held for sale

The Group has to evaluate the net realisable values for properties under development and completed properties held for sale at each balance sheet date. When the net realisable values are lower than the carrying amounts, a provision is made by the Group.

The principal assumptions for the Group's estimation of the net realisable values of the properties under development include those related to prevailing market prices for similar properties in the same location and condition, estimated costs to be incurred to completion of the properties and discount rates.

The Group estimates the net realisable value for completed properties held for sale based on the selling price, sales projections, sales expenses to be incurred and relevant tax expenses, with reference to the current market prices and actual sale progress.

Impairment of long-term equity investments

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss.

The recoverable amount of long-term equity investment is based on the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from long-term equity investment. The present value of the estimated future cash flow is based on the investee's present value of the future cash flow, that is, the amount of the estimated future cash flow generated by the investee in the process of continuous operation and discounted at the appropriate discount rate.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant accounting judgments and estimates (continued)

Impairment of concession rights

The Group assesses at the balance sheet date whether there is any indication that the concession rights may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss on assets.

The recoverable amount of the franchise rights is the higher of its fair value less costs of disposal and the present value of the estimated future cash flows. The present value of estimated future cash flows is determined based on the present value of estimated future cash flows during the period of the concession rights, i.e. based on the estimated future cash flows generated by the concession rights in the continuous use and discounted to the present value by selecting the appropriate discount rates. The estimated future cash flows are estimated based on the expected revenue of services rendered under concession arrangements and other income from the concession rights, net of necessary maintenance expenses and operating costs.

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the probable obligations have been made based on management's best estimates and judgments.

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and residual values of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of fixed assets are less than previous estimation. Useful lives and residual values are reviewed, at each balance sheet date, based on changes in circumstances.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. *Significant accounting judgments and estimates (continued)*

Amortisation of concession rights of highways

If the assets under the concession arrangement acquired by the Group's participating in the construction of the highway is applicable to intangible asset model, the concession rights is amortised at the early stage of operation period based on expected realisation approach of associated economic benefits using traffic volume method or straight-line method. In the case of traffic volume method amortisation (namely, calculating the total annual amortisation amount based on the percentage of actual traffic volume in the current period in the estimated total traffic volumes), amortisation calculation is initiated since the operation of the relevant turnpike highways.

The Group's management made judgments on the proportion of actual traffic volume in the total estimated traffic volume. Where the difference between the actual amount and the estimation is substantial, the management will re-estimate the total estimated traffic volume based on the actual traffic volume and adjust the amortisation of annual provisions for standard traffic volumes in subsequent years.

Income tax and deferred tax assets

The Company and its subsidiaries are subject to income taxes in numerous jurisdictions in domestic provinces and certain overseas countries. In order to reliably estimate and judge, the income tax provision is required to be determined based on existing tax laws, regulations and practices, if the relevant affairs of income tax have not yet been confirmed by relevant tax authorities. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current period income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. In cases where the actual future profits generated are different from the estimation, such difference will influence on or change the deferred tax assets and income tax recognised in the relevant period.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future expected cash flows from the asset groups or set of asset groups to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups or set of asset groups and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

36. *Changes in accounting policies*

The Interpretation No. 17 of the Accounting Standards for Business Enterprises (the “Interpretation No. 17”) was issued by the Ministry of Finance on 25 October 2023, which stipulated the classification of current and non-current liabilities and the accounting treatment of leaseback transactions. This Interpretation became effective from 1 January 2024.

Classification of current and non-current liabilities

The Interpretation No. 17 amended and refined the principles for the classification of current and non-current liabilities stated in the Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements as follows: it specified that if an enterprise had no substantive right on the balance sheet date to defer the settlement of liabilities beyond one year or more from the balance sheet date, such liabilities should be classified as current liabilities and whether an enterprise had the subjective possibility to exercise the aforesaid rights does not affect the classification of liability liquidity; it specified that for liabilities arising from corporate loan arrangements, if the right to defer the settlement of the liability beyond one year from the balance sheet date depended on contractual conditions, the conditions to be followed before and after the balance sheet date should be distinguished, considering whether there was a right to defer the settlement of the liability at the balance sheet date; it specified that if the counterparty to the liability transaction had the option to settle in the enterprise’s own equity instruments, and this option was classified as an equity instrument and recognised separately, then the related settlement terms were irrelevant to the liquidity classification of the liability and it specified disclosure requirements related to loan arrangements classified as non-current liabilities with contractual conditions attached. The Interpretation also required that an enterprise should adjust the comparable period information at its initial implementation of the Interpretation.

Accounting treatment of sale and leaseback transactions

The Interpretation No. 17 stipulated that if the transfer of assets in a sale and leaseback transaction is considered a sale, after the commencement date of the lease, the lessee should ensure that the determination of lease payments or revised lease payments does not result in the recognition of gains or losses related to the right to use the asset leased back when subsequently measuring the lease liability formed from the sale and leaseback. If a lease modification leads to a reduction in the scope of the lease or a shortening of the lease term, the lessee should recognise the related gains or losses from the partial or complete termination of the lease in the current period’s profit or loss, without being subject to the aforementioned restrictions. When implementing for the first time, the enterprise should retroactively adjust sale and leaseback transactions carried out after the initial adoption of Accounting Standards for Business Enterprises No. 21 – Leases.

After assessment, the Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION

1. Major categories of taxes and respective tax rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	Sales revenue and construction installation income in accordance with relevant tax law	3%, 6%, 9%, 13%
Enterprise income tax ("EIT")	Taxable income	All enterprises are subject to EIT at 25% except for some domestic subsidiaries qualified for tax preferential (Note IV. 2) and overseas subsidiaries that are subject to EIT in accordance with the local tax laws applicable to the jurisdiction where the company was registered.
City maintenance and construction tax ("CCT")	Based on the actual VAT and circulation tax payment	1%, 5%, 7%
Educational surcharge	Based on the actual VAT and circulation tax payment	3%
Local educational surcharge	Based on the actual VAT and circulation tax payment	2%
Land appreciation tax ("LAT")	Calculate LAT based on the appreciation amount arising from the transfer of properties and the extra progressive tax rate	Extra progressive tax rate: 30%, 40%, 50%, 60%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. *Tax preferential*

Super deduction of research and development (R&D) expenses

Pursuant to Chapter IV, Item 1 of Article 30 of the Law of the PRC on Enterprise Income Tax Law (the “New EIT Law”), the Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119) and the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policies Regarding Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2023] No. 7), with respect to research and development (R&D) expenses of the Company and its subsidiaries that complies with the above provisions, an extra 100% of the actual amount of expenses is deductible before tax.

Tax preferential for the Western Region Development

Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for Western Development Strategies (Cai Shui [2020] No. 23), the tax preference for the Western Region Development are valid until 2030. According to the Circular, “from 1 January 2021 to 31 December 2030, enterprise income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises whose principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region, the income of which accounts for more than 60% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region has been issued by National Development and Reform Commission. If the catalogue is modified during the period of the announcement, the modified version shall apply since the date of implementation.”

IV. TAXATION (CONTINUED)**2. Tax preferential (continued)****Tax preferential for the Western Region Development (continued)**

At present, the Catalogue of Encouraged Industries in the Western Region has been approved by the State Council and has been implemented since 1 October 2014. Certain subsidiaries of the Company, including China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司), China Railway 11th Bureau Group Tibet Engineering Co., Ltd. (中鐵十一局集團西藏工程有限公司), China Railway 11th Bureau Group Xi'an Construction Co., Ltd. (中鐵十一局集團西安建設有限公司), China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司), China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司), China Railway 12th Bureau Group (Tibet) Engineering Co., Ltd. (中鐵十二局集團(西藏)工程有限公司), China Railway 12th Bureau Group Hanzhong Xudong Engineering Co., Ltd. (中鐵十二局集團漢中旭東工程有限公司), China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司), China Railway Construction Chongqing Construction Technology Co., Ltd. (中鐵建重慶建築科技有限公司), China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司), China Railway 15th Bureau Group Tibet Engineering Co., Ltd. (中鐵十五局集團西藏工程有限公司), China Railway 16th Bureau Group Tibet Engineering Co., Ltd. (中鐵十六局集團西藏工程有限公司), China Railway 17th Bureau Group 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司), China Railway 17th Bureau Group 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司), China Railway 17th Bureau Group Tibet Engineering Co., Ltd. (中鐵十七局集團西藏工程有限公司), China Railway 18th Bureau Group Tibet Engineering Co., Ltd. (中鐵十八局集團西藏工程有限公司), China Railway 18th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十八局集團隧道工程有限公司), China Railway 19th Bureau Group Tibet Engineering Co., Ltd. (中鐵十九局集團西藏工程有限公司), China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司), China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司), China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司), China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司), China Railway 20th Bureau Group Electrification Engineering Co., Ltd. (中鐵二十局集團電氣化工程有限公司), China Railway 20th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十局集團市政工程有限公司), China Railway Guizhou Engineering Co., Ltd. (中鐵貴州工程有限公司), Chongqing Qinyu Property Management Co., Ltd. (重慶秦渝物業管理有限公司), China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司), China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司), China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司), China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司), China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司), China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司), China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司), China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司), China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司), China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司), China Railway

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Tax preferential for the Western Region Development (continued)

23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司), China Railway 23rd Bureau Group Tibet Engineering Co., Ltd. (中鐵二十三局集團西藏工程有限公司), China Railway 23rd Bureau Group Rail Transit Sichuan Engineering Co., Ltd. (中鐵二十三局集團軌道交通四川工程有限公司), China Railway 25th Bureau Group (Ganzhou) Engineering Co., Ltd. (中鐵二十五局集團(贛州)工程有限公司), China Railway Construction Electrification Bureau Group Xi'an Electrical Product Co., Ltd. (中鐵建電氣化局集團西安電氣化製品有限公司), China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司), China Railway First Survey and Design Institute (Shaanxi) Engineering Construction Co., Ltd. (中鐵一院(陝西)工程建設有限公司), Xi'an Runtong Digital Technology Co., Ltd. (西安潤通數字科技有限公司), Lanzhou Railway Survey and Design Institute Co., Ltd. (蘭州鐵道設計院有限公司), China Railway Material Group Southwest Co., Ltd. (中鐵物資集團西南有限公司), China Railway Material Group Yunnan Co., Ltd. (中鐵物資集團雲南有限公司), CRCC High-Tech Equipment Co., Ltd. (中國鐵建高新裝備股份有限公司), China Railway Construction Heavy Industry Xinjiang Co., Ltd. (鐵建重工新疆有限公司), China Railway Longchang Materials Co., Ltd. (中鐵隆昌鐵路器材有限公司), China Railway Highway China Petroleum (Sichuan) Energy Co., Ltd. (鐵建高速中油(四川)能源有限公司), China Railway Construction Guizhou Anshun-Ziyun Highway Co., Ltd. (中鐵建貴州安紫高速公路有限公司), CRCC Beibuwan Construction and Investment Co., Ltd. (中鐵建北部灣建設投資有限公司), CRCC Kunlun Investment Group Co., Ltd. (中國鐵建崑崙投資集團有限公司), China Railway Construction Kunlun Metro Investment Construction Management Co., Ltd. (中鐵建崑崙地鐵投資建設管理有限公司), China Railway Construction Yunnan Investment Co., Ltd. (中鐵建雲南投資有限公司), Chengdu CRCC Kunlun Rail Engineering Co., Ltd. (成都中鐵建崑崙軌道工程有限公司), Chengdu CRCC Chengzi Rail Transit Development Co., Ltd. (成都中鐵建成資軌道交通發展有限公司), Chengdu CRCC Kunlun Zhenrong Eco-construction Co., Ltd. (成都中鐵建崑崙振蓉生態建設有限公司), Jintang CRCC Kunlun City Construction Co., Ltd. (金堂中鐵建崑崙城市建設有限公司), Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司), Chongqing China Petroleum & Railway Construction Industrial Co., Ltd. (重慶中油鐵建實業有限公司), CRCC Chongqing Investment Group Co., Ltd. (中鐵建重慶投資集團有限公司), CRCC Chongqing Petrochemical Sales Co., Ltd. (中鐵建重慶石化銷售有限公司), Chongqing Jinlu Traffic Engineering Co., Ltd. (重慶金路交通工程有限責任公司), CRCC Ecological Environment Co., Ltd. (中鐵建生態環境有限公司), China Railway Construction Kunlun Expressway Operation Management Co., Ltd. (中鐵建崑崙高速公路運營管理有限公司), China Railway Construction Northwest Investment & Construction Co., Ltd. (中鐵建西北投資建設有限公司) and China Railway Construction (Yinchuan) City Development Co., Ltd. (中鐵建(銀川)城市發展有限公司), China Railway Construction Yunnan Transportation Construction Management Co., Ltd. (中鐵建雲南交通建設管理有限公司) met requirements specified in the above document in 2023, and is expected to meet requirements specified in the above document in 2024, so the preferential tax rate of 15% will continue to be implemented in the current period.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Preferential Tax Policy for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui [2022] No. 19), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

- (1) The principal business of the enterprise meets the requirements of Preferential Enterprise Income Tax Catalogue for the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (2021), and its income accounts for more than 60% of the total income;
- (2) the actual management organisation of the enterprise is located in Guangdong-Macao In-Depth Cooperation Zone in Hengqin, and it conducts substantive and comprehensive management and control over the production and operation, personnel, accounting, property, etc. of the enterprise.

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司) and China Railway Construction Highway Operation Co., Ltd. (中鐵建公路運營有限公司), subsidiaries of the Company, are eligible for the preferential income tax policy of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and are subject to a preferential corporate income tax rate of 15% starting from 1 January 2022.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries

China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司): (1) China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司) and its subsidiaries including China Railway 11th Bureau Group 6th Engineering Co., Ltd. (中鐵十一局集團第六工程有限公司) and China Railway 11th Bureau Group Construction and Development Co., Ltd. (中鐵十一局集團建設發展有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway 11th Bureau Group 1st Engineering Co., Ltd. (中鐵十一局集團第一工程有限公司), China Railway 11th Bureau Group 2nd Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司), China Railway 11th Bureau Group 3rd Engineering Co., Ltd. (中鐵十一局集團第三工程有限公司), China Railway 11th Bureau Group 4th Engineering Co., Ltd. (中鐵十一局集團第四工程有限公司) and China Railway 11th Bureau Group City Rail Engineering Co., Ltd. (中鐵十一局集團城市軌道工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (3) its subsidiary China Railway 11th Bureau Group Bridge Engineering Co., Ltd. (中鐵十一局集團橋樑有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 12th Bureau Group Co., Ltd. (中鐵十二局集團有限公司): (1) its subsidiary China Railway 12th Bureau Group 7th Engineering Co., Ltd. (中鐵十二局集團第七工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 1 January 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary China Railway 12th Bureau Construction and Installation Engineering Co., Ltd. (中鐵十二局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司): (1) China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) and its subsidiary China Railway Construction Bridge Engineering Bureau Group Construction Assembly Technology Co., Ltd. (中鐵建大橋工程局集團建築裝配科技有限公司) have been recognised as High-tech Enterprises by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Jinqiao Engineering Testing Co., Ltd. (中鐵津橋工程檢測有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Bureau, Jilin Province Bureau of Finance, and Jilin Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Bridge Engineering Group Electrification Engineering Co., Ltd. (中鐵建大橋工程局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (4) its subsidiary China Railway Construction Bridge Engineering Bureau Group Jingjiang Heavy Industry Co., Ltd. (中鐵建大橋工程局集團靖江重工有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway 14th Bureau Group Co., Ltd. (中鐵十四局集團有限公司): (1) its subsidiary China Railway 14th Bureau Group 3rd Engineering Co., Ltd. (中鐵十四局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiaries including China Railway 14th Bureau Group 4th Engineering Co., Ltd. (中鐵十四局集團第四工程有限公司), Shandong Civil Air Defense Architectural Design Institute Co., Ltd. (山東省人民防空建築設計院有限責任公司), China Railway 14th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十四局集團隧道工程有限公司), China Railway 14th Bureau Group Construction Technology Co. Ltd (中鐵十四局集團建築科技有限公司), China Railway 14th Bureau Construction Engineering Co. Ltd. (中鐵十四局集團建築工程有限公司) and China Railway 14th Bureau Yellow River Construction Technology Co. Ltd. (中鐵十四局集團黃河建築科技有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (3) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Construction Co., Ltd. (中鐵十四局集團青島工程建設有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 15th Bureau Group Co., Ltd. (中鐵十五局集團有限公司): (1) its subsidiary China Railway 15th Bureau Group 3rd Engineering Co., Ltd. (中鐵十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司): (1) its subsidiary China Railway 16th Bureau Group 3rd Engineering Co., Ltd. (中鐵十六局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司), China Railway 16th Bureau Group Beijing Metro Engineering Co., Ltd. (中鐵十六局集團北京軌道交通工程建設有限公司) and China Railway 16th Bureau Group Electrification Engineering Co., Ltd. (中鐵十六局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 16th Bureau Group 5th Engineering Co., Ltd. (中鐵十六局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiaries including China Railway 16th Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵十六局集團路橋工程有限公司) and China Railway 16th Bureau Group City Construction Development Co., Ltd. (中鐵十六局集團城市建設發展有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司): (1) its subsidiary China Railway 17th Bureau 1st Engineering Co., Ltd. (中鐵十七局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 17th Bureau 3rd Engineering Co., Ltd. (中鐵十七局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 17th Bureau 5th Engineering Co., Ltd. (中鐵十七局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 17th Bureau Group 6th Engineering Co., Ltd. (中鐵十七局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiaries including China Railway 17th Bureau Group Construction Engineering Co., Ltd. (中鐵十七局集團建築工程有限公司) and China Railway 17th Bureau Group Electrification Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway 17th Bureau Group City Construction Development Co., Ltd. (中鐵十七局集團城市建設有限公司) has been recognised as a High-tech Enterprise by Guizhou Provincial Science and Technology Commission, Guizhou Provincial Finance Bureau, and Guizhou Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (7) its subsidiary China Railway 17th Bureau Group (Guangzhou) Construction Co., Ltd. (中鐵十七局集團(廣州)建設有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司): (1) its subsidiary China Railway 18th Bureau Group 2nd Engineering Co., Ltd. (中鐵十八局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 18th Bureau Group 5th Engineering Co., Ltd. (中鐵十八局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (3) its subsidiary China Railway 18th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十八局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司): (1) its subsidiary China Railway 19th Bureau Group 1st Engineering Co., Ltd. (中鐵十九局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 19th Bureau Group 5th Engineering Co., Ltd. (中鐵十九局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 19th Bureau Group 6th Engineering Co., Ltd. (中鐵十九局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (4) its subsidiary China Railway 19th Bureau Group East China Engineering Co. Ltd. (中鐵十九局集團華東工程有限公司) has been recognised as a High-tech Enterprise by Ningbo Science and Technology Bureau, Ningbo Municipal Finance Bureau, and Ningbo Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (5) its subsidiary China Railway 19th Bureau Group Corporation Electric Engineering Co., Ltd. (中鐵十九局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (6) its subsidiary China Railway 19th Bureau Group Guangzhou Engineering Co., Ltd. (中鐵十九局集團廣州工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司): (1) its subsidiary China Railway Construction Urban Construction Transportation Development Co., Ltd. (中鐵建城建交通發展有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (3) its subsidiary China Railway Construction Technology Testing Co. Ltd (中鐵建科檢測有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司): (1) its subsidiary China Railway 21st Bureau Group Electric and Chemical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary Western Railway Construction Engineering Materials Technology Co., Ltd. (西部鐵建工程材料科技有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司): (1) China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司) and its subsidiaries including China Railway 22nd Bureau Group Metro Co., Ltd. (中鐵二十二局集團軌道工程有限公司) and China Railway Jingcheng Engineering Testing Co., Ltd. (中鐵京誠工程檢測有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 22nd Bureau Group 1st Engineering Co., Ltd. (中鐵二十二局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Heilongjiang Provincial Science and Technology Department, Heilongjiang Provincial Department of Finance, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiaries including China Railway 22nd Bureau Group 2nd Engineering Co., Ltd. (中鐵二十二局集團第二工程有限公司) and China Railway 22nd Bureau Group Electrification Engineering Co., Ltd. (中鐵二十二局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (4) its subsidiary China Railway 22nd Bureau Group 4th Engineering Co., Ltd. (中鐵二十二局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024;

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司): (1) its subsidiary China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 23rd Bureau Group Construction Design Institute Co., Ltd. (中鐵二十三局集團建築設計研究院有限公司) has been recognised as a High-tech Enterprise by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 23rd Bureau Group Electric Engineering Co., Ltd. (中鐵二十三局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science & Technology Commission, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 23rd Bureau Group (Hubei) Blasting Co., Ltd. (中鐵二十三局集團(湖北)爆破有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (5) its subsidiary China Railway 23rd Bureau Group Rail Transit Engineering Co., Ltd. (中鐵二十三局集團軌道交通工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司): (1) its subsidiary (申鐵方圓檢測科技有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 24th Bureau Group Shanghai electrification Co., Ltd. (中鐵二十四局集團上海電務電化有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway 24th Bureau Group Jiangsu Construction Co., Ltd. (中鐵二十四局集團江蘇工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Jiangsu Province Finance Bureau, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (4) its subsidiary (福州閩龍鐵路工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Fujian Province, Fujian Province Finance Bureau, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 25th Bureau Group Co., Ltd. (中鐵二十五局集團有限公司): (1) its subsidiary China Railway 25th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十五局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway 25th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 25th Bureau Group 4th Engineering Co., Ltd. (中鐵二十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiaries including China Railway 25th Bureau Group Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司) and China Railway Construction Dawan District Construction Co., Ltd. (中鐵建大灣區建設有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary Guangzhou Tiecheng Engineering Inspection Co., Ltd. (廣州鐵誠工程質量檢測有限公司) has been recognised as a High-tech Enterprise by Guangdong Provincial Science and Technology Department, Guangdong Provincial Department of Finance, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (6) its subsidiary Liuzhou Railway Engineering Quality Testing Center Co., Ltd. (柳州鐵路工程質量檢測中心有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2023 to 31 December 2025.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司): (1) China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiaries including China Railway Construction Group Infrastructure Construction Co., Ltd. (中鐵建設集團基礎設施建設有限公司) and China Railway Construction Group Electromechanical Installation Co., Ltd. (中鐵建設集團機電安裝有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Group South Engineering Co., Ltd. (中鐵建設集團南方工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway Construction Group East China Engineering Co., Ltd. (中鐵建設集團華東工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction Group North China Engineering Co. Ltd. (中鐵建設集團華北工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Science and Technology Bureau, Tianjin Municipal Bureau of Finance, and Tianjin Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (6) its subsidiary China Railway Construction Group Central-south China Construction Co., Ltd. (中鐵建設集團中南建設有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (7) its subsidiary China Railway Construction Group Xi'an Engineering Co., Ltd. (中鐵建設集團西安工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shaanxi Province, Department of Finance of Shaanxi Province, and Shaanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (8) its subsidiary China Railway Construction Construction Development (Hainan) Co., Ltd. (中鐵建設建築發展(海南)有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Hainan Province, Department of Finance of Hainan Province, and Hainan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司): (1) its subsidiary China Railway Construction Electrification Bureau Group 1st Engineering Co., Ltd. (中鐵建電氣化局集團第一工程有限公司) has been recognised as a High-tech Enterprise by the Henan Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Construction Electrification Bureau Group 2nd Engineering Co., Ltd. (中國鐵建電氣化局集團第二工程有限公司) has been recognised as a High-tech Enterprise by the Shanxi Science and Technology Department, Department of Finance of Shanxi Province, and Shanxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (3) its subsidiary China Railway Construction Electrification Bureau Group 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway Construction Electrification Bureau Group 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction Electrification Bureau Group Operation Management Co., Ltd. (中鐵建電氣化局集團運營管理有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (6) its subsidiary China Railway Construction Electrification Bureau Group 4th Engineering Co., Ltd. (中鐵建電氣化局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (7) its subsidiary China Railway Construction Electrification Bureau Group Kang Yuan New Material Co., Ltd. (中鐵建電氣化局集團康遠新材料有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司): CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司): (1) its subsidiary Beijing Engineering Company Limited of China Railway Urban Construction Group (中鐵城建集團北京工程有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary China Railway Urban Construction Group Nanchang Construction Co., Ltd. (中鐵城建集團南昌建設有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (3) its subsidiaries including China Railway Urban Construction Group Urban Operation Services Co., Ltd. (中鐵城建集團城市運營服務有限公司) and China Railway Urban Construction Group Construction Technology Co., Ltd. (中鐵城建集團建築科技有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司): (1) China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司) and its subsidiary Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd. (鐵四院(湖北)工程監理諮詢有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2023 and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; (2) its subsidiary Wuhan Railway SIYUAN Engineering Consulting Co., Ltd. (武漢鐵四院工程諮詢有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary Haixia (Fujian) Transportation Engineering Design Co., Ltd. (海峽(福建)交通工程設計有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Fujian Province, Department of Finance of Fujian Province, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (4) its subsidiary China Railway Siyuan Group Guangzhou Designing Institute Co., Ltd. (廣東省鐵路規劃設計研究院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司): (1) China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司) and its subsidiaries including Beijing Tieyan Construction Supervision Co., Ltd. (北京鐵研建設監理有限責任公司), Beijing China Railway Ecological Environment Design Institute Co., Ltd. (北京中鐵生態環境設計院有限公司), Beijing Railway Fifth Group Engineering Machinery Co., Ltd. (北京鐵五院工程機械有限公司), Beijing Tiecheng GIGNA Engineering Testing Co., Ltd. (北京鐵城檢測認證有限公司) and China Railway Construction Engineering General Contracting (Beijing) Co., Ltd. (中鐵建工程總承包(北京)有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (2) its subsidiary Quzhou Communication Design Co., Ltd. (衢州市交通設計有限公司) has been recognised as a High-tech Enterprise by Zhejiang Provincial Science and Technology Bureau, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司): (1) China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary Shanghai Xianxing Construction Supervision Co., Ltd. (上海先行建設監理有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025; and (3) its subsidiary Hangzhou Railway Design Institute Co., Ltd. (杭州鐵路設計院有限責任公司) has been recognised as a High-tech Enterprise by Hangzhou Municipal Science & Technology Commission, Hangzhou Finance Bureau, and Hangzhou Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司): China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司) and its subsidiary Zhuzhou China Railway Electric Materials Co., Ltd. (株洲中鐵電氣物資有限公司) have been recognised as High-tech Enterprises by China Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2023, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

China Civil Engineering Construction Corporation (中國土木工程集團有限公司): its subsidiary China Railway CCECC Fuzhou Survey & Design Institute Co., Ltd. (中土集團福州勘察設計研究院有限公司) has been recognised as a High-tech Enterprise by Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司): its subsidiary Suzhou Traffic Design Research Institute Co., Ltd. (中鐵建蘇州設計研究院有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway Material Group Co., Ltd. (中鐵物資集團有限公司): its subsidiary Pangu Cloud Chain (Tianjin) Digital Technology Co., Ltd. (盤古雲鏈(天津)數字科技有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science & Technology Commission, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司): (1) CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司) and its subsidiary CRCC Cyber Information Technology Co., Ltd. (中鐵建網絡信息科技有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (2) its subsidiary Chenghe RuiZheng Risk Management Consulting Co., Ltd. (誠合瑞正風險管理諮詢有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2023, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2023 to 31 December 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Cash on hand	65,336	66,019
Cash at banks	145,946,958	153,806,061
Other cash and bank balances	8,251,890	8,626,759
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	4,442,318	4,458,998
Total	158,706,502	166,957,837

The restricted cash and bank balances of the Group are stated in Note V. 63.

As at 30 June 2024, the Group held foreign cash and bank balances amounting to RMB11,368,812,000 (31 December 2023: RMB11,280,052,000), certain cash and bank balances deposited in certain countries or regions that were subject to foreign exchange control were not freely convertible into other currencies or remitted out of those countries. As at 30 June 2024, the Group's cash and bank balances which were deposited in aforesaid countries or regions and subject to foreign exchange control were not freely convertible into other currencies or remitted out represented less than 2% (31 December 2023: less than 3%) of the cash and bank balances in the Group's consolidated statement of financial position.

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Cash and bank balances at the end of the period/year	158,706,502	166,957,837
Less: Mandatory reserves placed by CRCC Finance Company Limited with the central bank	4,442,318	4,458,998
Less: Other restricted cash and bank balances	8,217,174	8,601,659
Less: Non-pledged time deposits with original maturity of three months or more when acquired	1,282,642	1,259,403
Cash and cash equivalents at the end of the period/year	144,764,368	152,637,777

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Equity instruments	473,938	467,563
Others	1,087,078	1,162,222
Total	1,561,016	1,629,785

3. Bills receivable

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Commercial acceptance bills	1,290,796	2,996,061
Bank acceptance bills	239,415	249,332
Less: Allowance for credit losses	5,131	16,352
Total	1,525,080	3,229,041

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable (continued)

As at 30 June 2024, the Group had RMB196,198,000 (31 December 2023: RMB139,522,000) non-matured bills receivable which had right of recourse and had been endorsed to other parties. The Group did not derecognise those bills receivable as the Group considered that all risks and rewards of the ownership had not been transferred from the endorsed bills receivable.

Bills receivable and allowance for credit losses by category are listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	1,530,211	100.00	5,131	0.34	1,525,080
Total	1,530,211	100.00	5,131	0.34	1,525,080

RMB'000

Category	31 December 2023				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	3,245,393	100.00	16,352	0.50	3,229,041
Total	3,245,393	100.00	16,352	0.50	3,229,041

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables at FVTOCI

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Bank acceptance bills	1,718,133	2,723,520
Total	1,718,133	2,723,520

As at 30 June 2024, the Group had RMB1,709,672,000 (31 December 2023: RMB2,272,750,000) non-matured bills receivable which had right of recourse and had been discounted or endorsed to other parties. The Group derecognised those bills receivable as the Group considered that all risks and rewards of the ownership had been transferred from the discounted or endorsed bills receivable since there was extremely low risk of the acceptor's inability to cash the bills upon expiry due to the acceptor's good reputation.

5. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Within 1 year	135,603,067	116,204,747
1 to 2 years	34,696,205	32,760,675
2 to 3 years	14,068,971	12,597,237
Over 3 years	14,501,084	12,285,145
Subtotal	198,869,327	173,847,804
Less: Allowance for credit losses	18,689,048	18,038,737
Total	180,180,279	155,809,067

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

Movements in allowance for credit losses for trade receivables are listed as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	2023
Opening balance of the current period/year	18,038,737	15,215,783
Provision for the period/year	1,967,556	4,567,847
Less: Reversal for the period/year	858,856	1,337,239
Less: Write-off for the period/year	10,914	7,926
Others	(447,475)	(399,728)
Closing balance of current period/year	18,689,048	18,038,737

The movements in detail of allowance for credit losses for the six months ended 30 June 2024 are presented in Note VIII. 3.

Trade receivables and allowance for credit losses by category are listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				Carrying amount
	Gross carrying amount		Allowance for credit losses		
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	32,391,031	16.29	12,623,982	38.97	19,767,049
Allowance for credit losses assessed by credit risk portfolio	166,478,296	83.71	6,065,066	3.64	160,413,230
Total	198,869,327	100.00	18,689,048	9.40	180,180,279

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

Trade receivables and allowance for credit losses by category are listed as follows: (continued)

RMB'000

Category	Gross carrying amount		31 December 2023 Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	30,576,721	17.59	11,834,741	38.71	18,741,980
Allowance for credit losses assessed by credit risk portfolio	143,271,083	82.41	6,203,996	4.33	137,067,087
Total	173,847,804	100.00	18,038,737	10.38	155,809,067

As at 30 June 2024, trade receivables whose allowance for credit losses were assessed individually are listed as follows:

RMB'000

Company name	30 June 2024 (unaudited)			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	750,446	280,036	37.32	Note
Company 2	575,639	386,645	67.17	Note
Company 3	574,693	67,866	11.81	Note
Company 4	551,834	89,478	16.21	Note
Company 5	530,905	251,762	47.42	Note
Others	29,407,514	11,548,195	39.27	—
Total	32,391,031	12,623,982	38.97	—

Note: According to the recoverability of trade receivables, the Group recorded allowance for credit losses.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

As at 30 June 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows:

Portfolio 1:

RMB'000

Aging	30 June 2024 (unaudited)			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	84,377,720	79.65	1,071,254	1.27
1 to 2 years	14,615,509	13.80	740,121	5.06
2 to 3 years	4,692,664	4.43	569,041	12.13
Over 3 years	2,252,732	2.12	1,101,715	48.91
Total	105,938,625	100.00	3,482,131	3.29

Portfolio 2:

RMB'000

Aging	30 June 2024 (unaudited)			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	11,085,709	85.28	95,498	0.86
1 to 2 years	1,345,235	10.35	74,137	5.51
2 to 3 years	309,014	2.38	32,645	10.56
Over 3 years	259,398	1.99	142,620	54.98
Total	12,999,356	100.00	344,900	2.65

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

As at 30 June 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows: (continued)

Portfolio 3:

RMB'000

Aging	30 June 2024 (unaudited)			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	5,472,518	72.43	32,321	0.59
1 to 2 years	1,195,093	15.82	63,248	5.29
2 to 3 years	333,397	4.41	33,813	10.14
Over 3 years	554,742	7.34	306,153	55.19
Total	7,555,750	100.00	435,535	5.76

Portfolio 4:

RMB'000

Aging	30 June 2024 (unaudited)			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	12,033,382	88.44	60,535	0.50
1 to 2 years	1,178,057	8.66	28,585	2.43
2 to 3 years	384,121	2.82	20,126	5.24
Over 3 years	11,308	0.08	2,559	22.63
Total	13,606,868	100.00	111,805	0.82

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

As at 30 June 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows: (continued)

Portfolio 5:

RMB'000

Aging	30 June 2024 (unaudited)			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	18,599,639	70.51	368,931	1.98
1 to 2 years	5,495,186	20.83	301,053	5.48
2 to 3 years	1,123,383	4.26	170,259	15.16
Over 3 years	1,159,489	4.40	850,452	73.35
Total	26,377,697	100.00	1,690,695	6.41

As at 30 June 2024, top five entities with the largest balances of trade receivables and contract assets are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Group	Gross carrying amount of trade receivables	Gross carrying amount of contract assets	Percentage of total gross carrying amount of trade receivables and contract assets		Closing balance of allowance for credit losses
				Gross carrying amount of trade receivables and contract assets	Percentage of total gross carrying amount of trade receivables and contract assets (%)	
Company 1	Third party	1,277,871	104,461	1,382,332	0.21	7,072
Company 2	Third party	1,155,051	1,419,749	2,574,800	0.40	20,424
Company 3	Third party	1,038,536	1,191,486	2,230,022	0.34	11,430
Company 4	Third party	987,660	59,275	1,046,935	0.16	28,129
Company 5	Third party	860,500	62,912	923,412	0.15	53,930
Total	—	5,319,618	2,837,883	8,157,501	1.26	120,985

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

For the six months ended 30 June 2024, the write-off of trade receivables amounted to RMB10,914,000 (For the six months ended 30 June 2023: RMB1,394,000).

The restricted trade receivables of the Group are stated in Note V. 63.

For the six months ended 30 June 2024, the Group derecognised trade receivables of RMB16,659,697,000 (For the six months ended 30 June 2023: RMB40,728,201,000) due to transfer of financial assets and recognised losses from derecognition of financial assets, amounting to RMB771,626,000 (For the six months ended 30 June 2023: RMB2,411,663,000).

Assets and liabilities recognised due to continuing involvement in the transferred asset:

As at 30 June 2024, the Group recognised assets of RMB921,694,000 and liabilities of RMB921,694,000 (As at 31 December 2023: RMB948,545,000 and RMB948,545,000) related to continuing involvement in transferred trade receivables.

6. Advances to suppliers

An aging analysis of advances to suppliers is listed as follows:

RMB'000

Aging	30 June 2024 (unaudited)		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	24,288,433	98.03	21,092,189	97.14
1 to 2 years	371,337	1.50	461,006	2.12
2 to 3 years	73,283	0.30	136,313	0.63
Over 3 years	41,768	0.17	23,121	0.11
Total	24,774,821	100.00	21,712,629	100.00

As at 30 June 2024, there were no advances to suppliers with significant balances aged over one year.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers (continued)

As at 30 June 2024, advances to the five largest suppliers are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Group	Amount	Time for prepayment	Percentage of total advances to suppliers (%)
Company 1	Third party	237,667	Within 1 year	0.96
Company 2	Third party	228,157	Within 1 year	0.92
Company 3	Third party	170,000	Within 1 year	0.69
Company 4	Third party	139,144	Within 1 year	0.56
Company 5	Third party	133,695	Within 1 year	0.54
Total	—	908,663	—	3.67

7. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	30 June 2024 (unaudited)	31 December 2023
Within 1 year	41,372,926	37,507,915
1 to 2 years	9,667,403	9,465,575
2 to 3 years	9,126,651	6,561,547
Over 3 years	10,974,723	9,637,284
Subtotal	71,141,703	63,172,321
Less: Allowance for credit losses	6,573,012	6,269,706
Total	64,568,691	56,902,615

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

Movements in the allowance for credit losses of other receivables are listed as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	2023
Opening balance of the current period/year	6,269,706	4,941,384
Provision for the period/year	616,590	1,864,167
Less: Reversal for the period/year	290,507	472,227
Less: Write-off for the period/year	18,779	54,945
Others	(3,998)	(8,673)
Closing balance of the current period/year	6,573,012	6,269,706

- (1) As at 30 June 2024, analysis of allowance for credit losses of other receivables at phase I by credit risk portfolio is listed as follows (unaudited):

RMB'000

Nature	Gross carrying amount	Allowance for credit losses	Provision percentage (%)
Loans for cooperative development project	28,292,705	300,668	1.06
Security deposit and cash pledged	14,712,527	910,105	6.19
Advance payments	8,579,257	536,815	6.26
Others	9,971,158	438,653	4.40
Total	61,555,647	2,186,241	3.55

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

- (2) As at 30 June 2024, analysis of allowance for credit losses of other receivables at phase II is listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	3,440,516	65.01	697,071	20.26	2,743,445
Allowance for credit losses assessed by credit risk portfolio	1,851,997	34.99	283,703	15.32	1,568,294
Total	5,292,513	100.00	980,774	18.53	4,311,739

Allowance for credit losses assessed individually of other receivables are listed as follows:

RMB'000

Company name	30 June 2024 (unaudited)			
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	Reasons
Company 1	2,527,272	546,483	21.62	Note
Company 2	913,244	150,588	16.49	Note
Total	3,440,516	697,071	20.26	—

Note: According to the recoverability of other receivables, the Group recorded allowance for credit losses.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

- (2) As at 30 June 2024, analysis of allowance for credit losses of other receivables at phase II is listed as follows: (continued)

As at 30 June 2024, analysis of allowance for credit losses assessed by credit risk portfolio of other receivables at phase II is listed as follows (unaudited):

RMB'000

Nature	Gross carrying amount	Allowance for credit losses	Proportion (%)
Security deposit and cash pledged	926,674	155,953	16.83
Advance payments	254,873	31,746	12.46
Others	670,450	96,004	14.32
Total	1,851,997	283,703	15.32

- (3) As at 30 June 2024, analysis of allowance for credit losses of other receivables at phase III is listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	2,943,558	68.56	2,216,314	75.29	727,244
Allowance for credit losses assessed by credit risk portfolio	1,349,985	31.44	1,189,683	88.13	160,302
Total	4,293,543	100.00	3,405,997	79.33	887,546

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

- (3) As at 30 June 2024, analysis of allowance for credit losses of other receivables at phase III is listed as follows: (continued)

Allowance for credit losses assessed individually of other receivables is listed as follows:

RMB'000

Company name	30 June 2024 (unaudited)			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	564,348	77,430	13.72	Note
Company 2	505,525	344,393	68.13	Note
Company 3	168,338	168,338	100.00	Note
Company 4	150,000	150,000	100.00	Note
Company 5	118,947	118,947	100.00	Note
Others	1,436,400	1,357,206	94.49	—
Total	2,943,558	2,216,314	75.29	—

Note: According to the recoverability of other receivables, the Group recorded allowance for credit losses.

For the six months ended 30 June 2024, the write-off of other receivables amounted to RMB18,779,000 (for the six months ended 30 June 2023: RMB11,480,000).

Gross carrying amount of other receivables categorised by nature is listed as follows:

RMB'000

Nature	30 June 2024 (unaudited)	31 December 2023
Loans for cooperative development project	32,286,784	29,566,393
Security deposit and cash pledged	16,786,786	15,831,424
Advance payments	9,595,848	7,136,375
Others	12,472,285	10,638,129
Total	71,141,703	63,172,321

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

- (3) As at 30 June 2024, analysis of allowance for credit losses of other receivables at phase III is listed as follows: (continued)

As at 30 June 2024, other receivables from the five largest customers are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Group	Closing balance	Percentage of total balance of other receivables (%)	Nature	Aging	Impairment for credit losses
Company 1	Joint Venture	2,527,272	3.55	Loans for cooperative development project	Over 5 years	546,483
Company 2	Joint Venture	1,762,816	2.48	Loans for cooperative development project	Within 4 years	1,820
Company 3	Joint Venture	1,704,576	2.40	Loans for cooperative development project	Within 2 years	76,483
Company 4	Joint Venture	1,384,225	1.95	Loans for cooperative development project	Within 1 year	742
Company 5	Associate	1,338,278	1.88	Loans for cooperative development project	Within 3 years	1,338
Total	—	8,717,167	12.26	—	—	626,866

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

RMB'000

Item	30 June 2024 (unaudited)		
	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	25,574,772	33,966	25,540,806
Work in progress	5,580,476	–	5,580,476
Finished goods	7,690,813	95,613	7,595,200
Turnover materials	13,854,143	99,514	13,754,629
Properties under development (1)	195,034,770	1,308,345	193,726,425
Completed properties held for sale (2)	70,314,869	2,467,380	67,847,489
Total	318,049,843	4,004,818	314,045,025

RMB'000

Item	31 December 2023		
	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	20,759,846	33,381	20,726,465
Work in progress	5,108,554	–	5,108,554
Finished goods	8,436,234	109,436	8,326,798
Turnover materials	13,229,591	99,514	13,130,077
Properties under development (1)	191,963,579	1,274,694	190,688,885
Completed properties held for sale (2)	72,157,755	2,495,742	69,662,013
Total	311,655,559	4,012,767	307,642,792

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (continued)

Movements in the provision for decline in value of inventories are listed as follows:

RMB'000

Item	1 January 2024	Additions (unaudited)		Reductions (unaudited)		30 June 2024 (unaudited)
		Provision	Others	Reversal	Write-off and Others	
Raw materials	33,381	2,793	–	2,208	–	33,966
Finished goods	109,436	22	–	–	13,845	95,613
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	1,274,694	31,060	2,591	–	–	1,308,345
Completed properties held for sale	2,495,742	99,107	–	–	127,469	2,467,380
Total	4,012,767	132,982	2,591	2,208	141,314	4,004,818

RMB'000

Item	1 January 2023	Additions		Reductions		31 December 2023
		Provision		Reversal	Write-off and Others	
Raw materials	34,073	2,554		1,314	1,932	33,381
Finished goods	19,083	97,176		–	6,823	109,436
Turnover materials	99,514	–		–	–	99,514
Properties under development	962,053	318,365		–	5,724	1,274,694
Completed properties held for sale	1,820,430	1,098,833		–	423,521	2,495,742
Total	2,935,153	1,516,928		1,314	438,000	4,012,767

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (continued)

(1) Details of the properties under development are listed as follows:

RMB'000

Project name	Construction commencement date	Estimated latest completion date	Estimated aggregate investment amount	30 June 2024 (unaudited)	31 December 2023
Shanghai Riverside Mansion Project	September 2023	October 2025	8,900,200	7,207,521	6,856,976
City Throne Project	October 2023	December 2025	8,551,960	6,434,090	3,017,306
Tianjin Xipai Guoyin Project	October 2018	October 2024	10,569,200	5,371,838	5,305,364
Tiejian City Project	February 2022	December 2024	11,016,325	4,591,980	4,297,863
CRCC Xipai Lan'an Project	May 2022	October 2025	4,879,450	3,588,613	3,297,950
Tiejian City (Guiyang) Project	August 2020	December 2024	3,792,080	3,096,539	2,758,690
Chengdu Qingyang City Park Junior Project	March 2023	December 2024	3,780,890	2,983,053	2,772,846
New Xidu Project	June 2023	November 2025	4,457,350	2,982,429	2,762,451
Chengdu Wuhou City Park Pure Project	November 2023	August 2025	4,351,390	2,902,892	2,689,247
CRCC Huayu City Project	May 2021	December 2024	5,553,727	2,882,200	2,730,762
Lingxiu Mansion South Zone Project	December 2018	December 2024	3,371,423	2,774,565	2,868,451
Chongqing Shanyu Taoyuan Project	June 2022	October 2024	5,564,884	2,732,746	2,987,553
Suzhou Chefang Project	August 2022	January 2025	3,090,650	2,595,020	2,500,163
Chongqing City Park Project	January 2022	June 2026	5,575,299	2,567,018	2,446,014
Wenzhou Lucheng Future Community	September 2020	August 2024	10,705,140	2,601,761	7,113,619
CRCC South China Headquarters Building Project	October 2022	June 2027	5,504,825	2,450,150	2,345,187
CRCC Taiyuan Huayutang Project	March 2019	December 2024	2,906,519	2,426,956	2,323,965
Jinan Wutongyuan Project	May 2020	December 2027	5,334,643	2,362,628	2,888,019
Hefei Huayu Jiangnan Project	November 2023	June 2025	3,217,120	2,361,657	2,277,865
Xipai Xiyue Project	December 2023	November 2025	3,235,080	2,165,103	921,848
Others	—	—	381,542,427	127,956,011	126,801,440
Total	—	—	495,900,582	195,034,770	191,963,579

As at 30 June 2024, the aggregate carrying amount of borrowing costs capitalised in properties under development was RMB14,142,506,000 (31 December 2023: RMB13,646,498,000). Borrowing costs capitalised for the six months ended 30 June 2024 amounted to RMB2,755,860,000 (for the six months ended 30 June 2023: RMB3,248,694,000). The capitalisation rates of borrowing costs ranged from 2.37%~7.00% (for the six months ended 30 June 2023: 2.50%~8.00%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (continued)

(2) Details of the completed properties held for sale are listed as follows:

RMB'000

Project name	Latest completion date	1 January 2024 Gross carrying amount	Additions (unaudited)	Reductions (unaudited)	30 June 2024 Gross carrying amount (unaudited)
CRCC Xipai Yujiang Project	April 2024	2,446,361	44,051	2,145	2,488,267
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	January 2024	—	2,082,144	—	2,082,144
Xipai Chenyue Project	September 2023	1,867,050	—	972	1,866,078
Xipai Huanhua Project	December 2021	1,695,701	39,628	—	1,735,329
Chongqing Shanyu Taoyuan Project	January 2024	1,243,728	476,869	461	1,720,136
Guiyang CRCC International City Project	September 2023	1,726,754	—	84,672	1,642,082
Tianjin Xipai Guoyin Project	February 2023	1,671,467	—	34,826	1,636,641
CRCC Huayutang Project	December 2023	2,838,740	—	1,284,997	1,553,743
Tianjin CRCC International City Project	April 2019	1,309,770	—	8,999	1,300,771
Florissa Project	August 2023	1,496,333	—	140,286	1,356,047
Qingdao CRCC Plaza Project	December 2023	1,399,577	—	58,466	1,341,111
Changchun Xipai Tangsong Project	February 2022	1,470,316	—	140,601	1,329,715
CRCC Xipai City Project	December 2021	1,234,609	29,183	—	1,263,792
CRCC Future City Project	December 2023	1,478,512	—	268,420	1,210,092
CRCC Wutong Graden Project	December 2021	1,273,228	—	68,465	1,204,763
CRCC Xinda Huayu Tianchen Project	January 2024	—	2,202,434	1,016,871	1,185,563
Wutong Qianshan Project	June 2022	1,131,200	10,860	—	1,142,060
Chengdu Beihu Xinqu Project	December 2019	1,123,178	—	—	1,123,178
Chenyue International Project	December 2023	1,085,252	—	—	1,085,252
Xi'an Xipai International Project	May 2023	1,086,916	—	37,378	1,049,538
Others	—	44,579,063	15,846,342	19,426,838	40,998,567
Total	—	72,157,755	20,731,511	22,574,397	70,314,869

The restricted inventories of the Group are stated in Note V. 63.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets

Contract assets are from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract term, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is presented as contract asset, and is disclosed in contract assets/other non-current assets based on liquidity. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities.

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Contract assets	310,962,328	299,830,365
Less: Provision for impairment losses on contract assets	8,366,452	8,048,261
Total	302,595,876	291,782,104

Movements in provision for impairment losses on contract assets are listed as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	2023
Opening balance of current period/year	8,048,261	6,683,222
Provision for the period/year	820,706	1,982,624
Less: Reversal for the period/year	497,906	617,280
Others	(4,609)	(305)
Closing balance of current period/year	8,366,452	8,048,261

The movements in provision for impairment losses for contract assets for six months ended 30 June 2024 are presented in Note VIII. 3.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (continued)

Contract assets and provision for impairment losses for contract assets by category are listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	28,245,221	9.08	6,700,595	23.72	21,544,626
Provision for impairment of assets assessed by credit risk portfolio	282,717,107	90.92	1,665,857	0.59	281,051,250
Total	310,962,328	100.00	8,366,452	2.69	302,595,876

RMB'000

Category	31 December 2023				
	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	27,544,204	9.19	6,359,023	23.09	21,185,181
Provision for impairment of assets assessed by credit risk portfolio	272,286,161	90.81	1,689,238	0.62	270,596,923
Total	299,830,365	100.00	8,048,261	2.68	291,782,104

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (continued)

As at 30 June 2024, contract assets whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows (unaudited):

RMB'000

	Gross carrying amount	Provision for impairment of assets	
		Amount	Percentage (%)
Portfolio 1	243,099,494	1,292,923	0.53
Portfolio 2	11,834,627	66,424	0.56
Portfolio 3	4,615,143	23,561	0.51
Portfolio 4	23,167,843	282,949	1.22
Total	282,717,107	1,665,857	0.59

10. Current portion of non-current assets

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Current portion of long-term receivables (Note V, 13)	11,390,490	15,013,463
Current portion of retention receivables (Note V, 25)	7,139,946	7,533,560
Current portion of other debt investments	–	6,963,058
Current portion of debt investments (Note V, 15)	1,841	21,728
Total	18,532,277	29,531,809

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Other current assets

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Prepaid taxes and VAT input to be deducted	25,214,859	22,469,099
Reverse repurchase of treasury bonds	6,999,980	2,999,989
Interbank negotiable certificates of deposit	3,951,571	–
Others	1,615,641	1,362,344
Total	37,782,051	26,831,432

12. Loans and advances to customers

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Loans to customers	1,725,125	1,686,305

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables

RMB'000

Item	30 June 2024 (unaudited)		Carrying amount
	Gross carrying amount	Allowance for credit losses	
Long-term project receivables	74,298,892	2,181,169	72,117,723
PPP project receivables	10,502,151	69,974	10,432,177
Land development receivables	20,784,250	215,985	20,568,265
Others	30,009,544	1,019,745	28,989,799
Total	135,594,837	3,486,873	132,107,964
Less: Current portion of non-current assets:	11,709,227	318,737	11,390,490
Including: Long-term project receivables	2,772,157	44,753	2,727,404
PPP project receivables	2,230,005	38,385	2,191,620
Land development receivables	3,970,418	130,805	3,839,613
Others	2,736,647	104,794	2,631,853
Long-term receivables due after one year	123,885,610	3,168,136	120,717,474

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (continued)

RMB'000

Item	31 December 2023		Carrying amount
	Gross carrying amount	Allowance for credit losses	
Long-term project receivables	67,686,218	2,314,022	65,372,196
PPP project receivables	10,463,336	76,660	10,386,676
Land development receivables	20,704,036	106,952	20,597,084
Others	29,521,058	1,004,473	28,516,585
Total	128,374,648	3,502,107	124,872,541
Less: Current portion of non-current assets:	15,216,381	202,918	15,013,463
Including: Long-term project receivables	4,392,424	56,187	4,336,237
PPP project receivables	2,235,505	32,121	2,203,384
Land development receivables	3,756,602	19,033	3,737,569
Others	4,831,850	95,577	4,736,273
Long-term receivables due after one year	113,158,267	3,299,189	109,859,078

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (continued)

The Group assesses ECL of long-term receivables on an individual or a collective basis of credit risk characteristics.

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Allowance for credit losses assessed individually	5,009,967	3.69	1,961,070	39.14	3,048,897
Allowance for credit losses assessed by credit risk portfolio	130,584,870	96.31	1,525,803	1.17	129,059,067
Total	135,594,837	100.00	3,486,873	2.57	132,107,964

As at 30 June 2024, long-term receivables with significant financing component were presented in accordance with the net amount after discount. The discount rate is 3.65%-5.50% (31 December 2023: 3.65%-5.50%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (continued)

As at 30 June 2024, allowance for credit losses assessed individually of long-term receivables is listed as follows:

RMB'000

Company name	30 June 2024 (unaudited)			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	1,384,993	371,015	26.79	Note
Company 2	723,394	430,798	59.55	Note
Company 3	722,577	249,179	34.48	Note
Company 4	271,215	201,432	74.27	Note
Company 5	268,007	40,201	15.00	Note
Others	1,639,781	668,445	40.76	—
Total	5,009,967	1,961,070	39.14	—

Note: According to the recoverability of receivables, the Group recorded allowance for credit losses.

As at 30 June 2024, long-term receivables whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are listed as follows:

RMB'000

	Gross carrying amount (unaudited)	Allowance for credit losses (unaudited)	
		Amount	Provision percentage (%)
Portfolio 1	103,539,724	1,147,129	1.11
Portfolio 2	168,982	1,424	0.84
Portfolio 3	13,045,353	40,819	0.31
Portfolio 4	13,830,811	336,431	2.43
Total	130,584,870	1,525,803	1.17

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (continued)

Movements in the allowance for credit losses of long-term receivables were as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	2023
Opening balance of the current period/year	3,502,107	2,312,838
Provision for the period/year	356,584	1,360,666
Less: Reversal for the period/year	105,253	196,799
Less: Write-off for the period/year	525,139	–
Others	258,574	25,402
Closing balance of the current period/year	3,486,873	3,502,107

For the six months ended 30 June 2024, the Group derecognised long-term receivables with gross carrying amount of RMB1,795,422,000 due to the transfer of financial assets (For the six months ended 30 June 2023: Nil), and has recognised losses on derecognition of RMB95,305,000 (For the six months ended 30 June 2023: Nil).

Assets and liabilities recognised due to continuing involvement in transferred long-term receivables:

As at 30 June 2024, the Group had assets of RMB105,956,000 and liabilities of RMB105,956,000 (As at 31 December 2023: RMB79,105,000 and RMB79,105,000) related to continuing involvement of transferred long-term receivables.

The restricted long-term receivables of the Group are stated in Note V. 63.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments

RMB'000

Item		30 June 2024 (unaudited)	31 December 2023
Investments in unlisted companies			
– equity method			
Joint ventures	(1)	65,533,424	64,961,146
Associates	(2)	89,297,666	84,366,419
Less: Provision for impairment of long-term equity investments		49,208	49,208
Total		154,781,882	149,278,357

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(1) Investment in joint ventures

30 June 2024:

RMB'000

Investee	Changes for the period (unaudited)								30 June 2024 (unaudited)	Provision for impairment at the end of the period (unaudited)
	Investment cost	1 January 2024	Transfer to/ Increase in investment	Decrease in/ transfer from investment	Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others		
Sichuan Chengmian Cangba Expressway Co., Ltd.	4,396,043	4,102,678	293,282	-	(7,466)	-	-	-	4,388,494	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,905,588	-	-	1,303	-	-	-	3,906,891	-
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	-	3,672,324	-
Chongqing Yuxiang Fuxian Highway Co., Ltd.	3,017,038	2,765,375	251,663	-	-	-	-	-	3,017,038	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,640,066	2,294,605	345,385	-	(106,441)	-	-	-	2,533,549	-
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	2,599,206	-	-	(191,450)	-	-	-	2,407,756	-
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	1,903,889	1,541,274	362,615	-	-	-	-	-	1,903,889	-
Xuchang Municipal Rail Construction Co., Ltd.	1,890,000	1,890,253	-	-	-	-	-	-	1,890,253	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,678,951	1,619,750	59,201	-	-	-	-	-	1,678,951	-
Others	—	38,832,784	2,419,053	(2,229,383)	(444,468)	(56,177)	(122,464)	(2,375)	38,396,970	(49,208)
Total	—	64,911,938	3,731,199	(2,229,383)	(748,522)	(56,177)	(122,464)	(2,375)	65,484,216	(49,208)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(1) Investment in joint ventures (continued)

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Transfer to/ Increase in investment	Decrease in/ transfer from investment	Changes for the year Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	31 December 2023	Provision for impairment at the end of year
Sichuan Chengmian Cangba Expressway Co., Ltd.	4,102,761	3,222,913	879,848	-	(83)	-	-	-	4,102,678	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,308,131	653,600	-	76,312	-	(132,455)	-	3,905,588	-
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	-	3,672,324	-
Chongqing Yuxiang Fuxian Highway Co., Ltd.	2,765,375	2,075,000	690,375	-	-	-	-	-	2,765,375	-
Sichuan Tianfu Airport Expressway Co., Ltd.	3,624,600	2,995,367	-	-	(396,161)	-	-	-	2,599,206	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,294,681	1,502,341	792,793	-	(529)	-	-	-	2,294,605	-
Xuchang Municipal Rail Construction Co., Ltd.	1,890,000	-	1,890,000	-	253	-	-	-	1,890,253	-
Guizhou Qianzhong Expressway Development Co., Ltd.	1,701,147	701,147	1,000,000	-	-	-	-	-	1,701,147	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,619,750	1,199,750	420,000	-	-	-	-	-	1,619,750	-
Others	-	35,417,316	5,841,849	(1,709,589)	(506,170)	90,678	(448,066)	(13,107)	38,672,911	(49,208)
Total	-	55,782,390	12,168,465	(1,709,589)	(826,378)	90,678	(580,521)	(13,107)	64,911,938	(49,208)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(1) Investment in joint ventures (continued)

Note 1: According to the articles of association of Kunming Rail Transit Line 5 Construction & Operation Co., Ltd., the operation policies and investment plans made by the shareholders' meeting and the resolution of the review and approval of board of directors' report shall be subject to all voting rights of shareholders. The Group holds 54.40% shares in Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. and has sent one director to the board of directors. It can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 2: According to the articles of association of Hohhot Metro Line 2 Construction & Management Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.00% shares in Hohhot Metro Line 2 Construction & Management Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(2) Investment in associates

30 June 2024:

RMB'000

Investee	Changes for the period (unaudited)									
	Investment cost	1 January 2024	Transfer to/ Increase in investment	Decrease in investment	Investment profits	Other comprehensive income	Declaration of cash dividends	Others	30 June 2024 (unaudited)	Provision for impairment at the end of period (unaudited)
					or losses under equity method					
CRCC Financial Leasing Co., Ltd. <i>(Note 1)</i>	1,747,618	3,163,512	-	-	93,413	-	-	(29,977)	3,226,948	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	2,810,499	-	-	192,561	64,864	-	-	3,067,924	-
Hangqu Railway Co., Ltd.	2,697,695	2,588,863	108,500	-	-	-	-	-	2,697,363	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	73,452	-	(73,452)	-	2,463,800	-
CRCC Ningxia Highway Co. Ltd.	2,069,873	2,069,847	-	-	-	-	-	-	2,069,847	-
Shanghai Wanjianglong Real Estate Co., Ltd.	1,862,000	1,860,140	-	-	(10,632)	-	-	-	1,849,508	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,881,227	-	-	(36,268)	-	-	-	1,844,959	-
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	1,815,074	1,539,780	275,294	-	-	-	-	-	1,815,074	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,410,000	1,605,490	-	-	12,054	-	-	-	1,617,544	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	1,642,808	-	-	(47,406)	-	-	-	1,595,402	-
Others	—	62,740,453	4,858,794	(324,348)	(33,299)	(6,367)	(170,193)	(15,743)	67,049,297	-
Total	—	84,366,419	5,242,588	(324,348)	243,875	58,497	(243,645)	(45,720)	89,297,666	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(2) Investment in associates (continued)

31 December 2023:

RMB'000

Investee	Investment cost	1 January 2023	Changes for the year					31 December 2023	Provision for impairment at the end of year	
			Transfer to/ Increase in investment	Decrease in/ transfer from investment	Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends			
CRCC Financial Leasing Co., Ltd. <i>(Note 1)</i>	1,747,618	2,943,766	-	-	211,292	-	-	8,454	3,163,512	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	2,240,108	-	-	462,756	107,635	-	-	2,810,499	-
Hangu Railway Co., Ltd.	2,589,195	2,226,863	362,000	-	-	-	-	-	2,588,863	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	144,929	-	(144,929)	-	2,463,800	-
CRCC Ningxia Highway Co. Ltd.	2,069,873	1,647,237	422,610	-	-	-	-	-	2,069,847	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,975,223	-	-	(93,996)	-	-	-	1,881,227	-
Shanghai Wanjianglong Real Estate Co., Ltd.	1,862,000	-	1,862,000	-	(1,860)	-	-	-	1,860,140	-
CRCC Sichuan Dedu Expressway Co., Ltd.	1,727,004	1,727,004	-	-	(84,196)	-	-	-	1,642,808	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,410,000	779,726	740,527	-	85,237	-	-	-	1,605,490	-
Ningxia Inter-City Railway Co., Ltd.	1,589,200	1,701,025	-	(111,825)	72,180	-	(72,180)	-	1,589,200	-
Others	—	54,498,096	10,857,535	(2,712,908)	595,023	(5,470)	(513,855)	(27,388)	62,691,033	-
Total	—	72,202,848	14,244,672	(2,824,733)	1,391,365	102,165	(730,964)	(18,934)	84,366,419	

Note 1: According to the articles of association of CRCC Financial Leasing Co., Ltd., the decisions of amending the company's articles of association, increasing the registered capital, resolutions of the company merger, division, dissolution, changing the company form, scope of operations, issuing of corporate bonds and selecting the directors shall be subject to more than two-thirds of voting rights of shareholders. Others shall be subject to more than half of voting rights of shareholders. As the Group holds 50.00% shares in CRCC Financial Leasing Co., Ltd., it can neither control nor jointly control the entity with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments

RMB'000

Item	30 June 2024 (unaudited)		
	Gross carrying amount	Allowance for credit losses	Carrying amount
Long-term loans receivable	7,654,776	1,862,419	5,792,357
Total	7,654,776	1,862,419	5,792,357
Less: Current portion of debt investments (Note V, 10)	1,850	9	1,841
Debt investments due after one year	7,652,926	1,862,410	5,790,516

RMB'000

Item	31 December 2023		
	Gross carrying amount	Allowance for credit losses	Carrying amount
Long-term loans receivable	7,880,938	1,843,034	6,037,904
Total	7,880,938	1,843,034	6,037,904
Less: Current portion of debt investments (Note V, 10)	21,837	109	21,728
Debt investments due after one year	7,859,101	1,842,925	6,016,176

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (continued)

Changes in allowance for credit losses of debt investments are as follows:

RMB'000

Item	For the six month ended 30 June 2024 (unaudited)	2023
Opening balance of the current period/year	1,843,034	1,166,128
Provided for the period/year	21,074	694,184
Less: Reversals for the period/year	727	12,389
Less: Written-off for the period/year	–	40
Others	(962)	(4,849)
Closing balance of current period/year	1,862,419	1,843,034

Debt investments and allowance for credit losses by category are listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Allowance for credit losses assessed individually	4,471,563	58.42	1,844,162	41.24	2,627,401
Allowance for credit losses assessed by credit risk portfolio	3,183,213	41.58	18,257	0.57	3,164,956
Total	7,654,776	100.00	1,862,419	24.33	5,792,357

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (continued)

Debt investments and allowance for credit losses by category are listed as follows: (continued)

RMB'000

Category	31 December 2023				
	Gross carrying amount		Allowance for credit losses		Carrying amount
			Amount	Provision	
	Amount	Percentage (%)		Amount	
Allowance for credit losses assessed individually	4,341,914	55.09	1,823,855	42.01	2,518,059
Allowance for credit losses assessed by credit risk portfolio	3,539,024	44.91	19,179	0.54	3,519,845
Total	7,880,938	100.00	1,843,034	23.39	6,037,904

As at 30 June 2024, the Group's significant debt investments are as follows:

A subsidiary of the Group had entered into an interest borne loan agreement with a real estate industry customer, and recognised debt investment with gross carrying amount of RMB2,927,357,000. Due to the debt default of this customer, the subsidiary recognised impairment through default exposure and the life-time expected credit loss rate.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other non-current financial assets

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Investments in unlisted fund product	7,580,962	6,191,649
Equity investments in listed companies	218,901	169,604
Others	3,869,308	3,925,896
Total	11,669,171	10,287,149

17. Other equity instrument investments

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Equity investments in listed companies	2,050,055	1,974,362
Equity investments in unlisted companies	10,878,995	10,601,209
Total	12,929,050	12,575,571

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Other equity instrument investments (continued)

For the six months ended 30 June 2024:

RMB'000

Item	Changes for the period (unaudited)						Dividends recognised for the period (unaudited)	Accumulated gains and losses included in other comprehensive income at the end of the period (unaudited)
	1 January 2024	Increase of investment	Decrease of investment	Changes in fair value	Others	30 June 2024 (unaudited)		
Other equity instrument investments	12,575,571	385,082	(148,682)	116,935	144	12,929,050	44,254	601,458

2023:

RMB'000

Item	Changes for the year						Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
	1 January 2023	Increase of investment	Decrease of investment	Changes in fair value	Others	31 December 2023		
Other equity instrument investments	11,940,051	1,172,272	(445,453)	(91,554)	255	12,575,571	116,607	509,306

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Other equity instrument investments (continued)

As at 30 June 2024, the Group's significant listed companies' equity instrument investments designated as those at FVTOCI are as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023	Reasons for designated at FVTOCI
SDIC Capital (600061)	495,525	624,852	Long-term equity investments for strategic purposes
Times Electric (688187)	483,924	356,034	Long-term equity investments for strategic purposes
Bank of Communications (601328)	301,231	231,468	Long-term equity investments for strategic purposes
Tongling Nonferrous (000630)	271,617	246,788	Long-term equity investments for strategic purposes

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties

Subsequent measurement under cost method

For the six months ended 30 June 2024 (unaudited):

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2024	13,465,433	13,465,433
Increase	437,445	437,445
Additions	113,460	113,460
Transferred in from inventories	223,005	223,005
Transferred in from fixed assets	99,180	99,180
Other increases	1,800	1,800
Decrease	184,700	184,700
Disposal	50,785	50,785
Transferred to self-use	82,764	82,764
Other decreases	51,151	51,151
30 June 2024	13,718,178	13,718,178
II. Accumulated depreciation and amortisation		
1 January 2024	1,839,363	1,839,363
Increase	205,384	205,384
Provision	184,422	184,422
Transferred in from fixed assets	20,962	20,962
Decrease	29,118	29,118
Disposal	7,539	7,539
Transferred to self-use	17,046	17,046
Other decreases	4,533	4,533
30 June 2024	2,015,629	2,015,629
III. Provision for impairment		
1 January 2024	226,624	226,624
Increase	136	136
Provision	136	136
Decrease	2,141	2,141
Disposal	2,141	2,141
30 June 2024	224,619	224,619
IV. Carrying amount		
Closing balance	11,477,930	11,477,930
Opening balance	11,399,446	11,399,446

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties (continued)

Subsequent measurement under cost method (continued)

2023:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2023	11,759,746	11,759,746
Increase	2,405,017	2,405,017
Additions	598,659	598,659
Transferred in from inventories	1,589,591	1,589,591
Transferred in from fixed assets	110,320	110,320
Transferred in from construction in progress	22,832	22,832
Transferred in from intangible assets	83,615	83,615
Decrease	699,330	699,330
Disposal	632,235	632,235
Other decreases	67,095	67,095
31 December 2023	13,465,433	13,465,433
II. Accumulated depreciation and amortisation		
1 January 2023	1,574,348	1,574,348
Increase	379,832	379,832
Provision	327,347	327,347
Transferred in from fixed assets	35,828	35,828
Transferred in from intangible assets	16,657	16,657
Decrease	114,817	114,817
Disposal	97,485	97,485
Other decreases	17,332	17,332
31 December 2023	1,839,363	1,839,363
III. Provision for impairment		
1 January 2023	287,056	287,056
Increase	28,548	28,548
Provision	18,609	18,609
Other increases	9,939	9,939
Decrease	88,980	88,980
Disposal	88,980	88,980
31 December 2023	226,624	226,624
IV. Carrying amount		
Closing balance	11,399,446	11,399,446
Opening balance	9,898,342	9,898,342

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties (continued)

Subsequent measurement under cost method (continued)

The restricted investment properties of the Group are stated in Note V.63.

As at 30 June 2024, the Group has been in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB69,242,000 (31 December 2023: RMB32,134,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 30 June 2024.

19. Fixed assets

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2024	33,501,341	53,654,595	16,746,401	74,270,557	178,172,894
Increase	1,933,602	1,915,643	519,851	5,741,744	10,110,840
Additions	314,913	1,279,661	504,813	5,095,681	7,195,068
Transferred in from construction in progress	1,535,925	563,517	7,483	628,502	2,735,427
Transferred in from investment properties	82,764	–	–	–	82,764
Transferred in from right-of-use assets	–	63,380	–	–	63,380
Other increases	–	9,085	7,555	17,561	34,201
Decrease	391,528	2,067,509	735,635	2,766,919	5,961,591
Disposal or retirement	220,320	1,485,101	547,954	2,698,648	4,952,023
Transferred out to construction in progress	68,965	394,324	–	2,380	465,669
Transferred out to investment properties	99,180	–	–	–	99,180
Other decreases	3,063	188,084	187,681	65,891	444,719
30 June 2024	35,043,415	53,502,729	16,530,617	77,245,382	182,322,143

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (continued)

For the six months ended 30 June 2024 (unaudited): (continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
II. Accumulated depreciation					
1 January 2024	7,631,423	31,501,806	13,077,687	52,471,503	104,682,419
Increase	514,488	2,246,724	708,950	5,627,327	9,097,489
Provision	497,442	2,242,760	703,230	5,618,835	9,062,267
Transferred in from investment properties	17,046	–	–	–	17,046
Other increases	–	3,964	5,720	8,492	18,176
Decrease	119,623	1,559,975	647,009	2,548,089	4,874,696
Disposal or retirement	95,854	1,283,002	511,560	2,533,292	4,423,708
Transferred out to construction in progress	2,670	186,119	–	1,191	189,980
Transferred out to investment properties	20,962	–	–	–	20,962
Other decreases	137	90,854	135,449	13,606	240,046
30 June 2024	8,026,288	32,188,555	13,139,628	55,550,741	108,905,212
III. Provision for impairment					
1 January 2024	92,810	103,846	725	23,608	220,989
Disposal or retirement	–	5,255	–	–	5,255
Other increases	945	–	–	–	945
30 June 2024	93,755	98,591	725	23,608	216,679
IV. Carrying amount					
30 June 2024	26,923,372	21,215,583	3,390,264	21,671,033	73,200,252
1 January 2024	25,777,108	22,048,943	3,667,989	21,775,446	73,269,486

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (continued)

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
Increase	4,791,180	5,524,467	1,482,579	15,812,453	27,610,679
Additions	697,211	4,742,578	1,395,551	13,512,736	20,348,076
Transferred in from construction in progress	4,046,226	693,512	82,724	2,297,200	7,119,662
Transferred in from right-of-use assets	–	88,377	–	–	88,377
Other increases	47,743	–	4,304	2,517	54,564
Decrease	307,085	5,785,412	1,359,201	8,114,153	15,565,851
Disposal or retirement	196,765	3,801,977	866,597	7,976,103	12,841,442
Transferred out to construction in progress	–	1,117,430	–	–	1,117,430
Transferred out to investment properties	110,320	–	–	–	110,320
Other decreases	–	866,005	492,604	138,050	1,496,659
31 December 2023	33,501,341	53,654,595	16,746,401	74,270,557	178,172,894
II. Accumulated depreciation					
1 January 2023	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259
Increase	1,060,222	3,669,020	1,431,926	11,011,602	17,172,770
Provision	1,052,423	3,669,020	1,428,098	11,011,090	17,160,631
Other increases	7,799	–	3,828	512	12,139
Decrease	209,575	4,360,297	1,136,030	6,640,708	12,346,610
Disposal or retirement	173,747	3,016,717	772,767	6,580,424	10,543,655
Transferred out to construction in progress	–	691,014	–	–	691,014
Transferred out to investment properties	35,828	–	–	–	35,828
Other decreases	–	652,566	363,263	60,284	1,076,113
31 December 2023	7,631,423	31,501,806	13,077,687	52,471,503	104,682,419

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (continued)

2023: (continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2023	90,131	71,544	725	23,608	186,008
Provision	8,430	53,147	–	–	61,577
Disposal or retirement	4,968	20,845	–	–	25,813
Other decreases	783	–	–	–	783
31 December 2023	92,810	103,846	725	23,608	220,989
IV. Carrying amount					
31 December 2023	25,777,108	22,048,943	3,667,989	21,775,446	73,269,486
1 January 2023	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799

The restricted fixed assets of the Group are stated in Note V. 63.

As at 30 June 2024, the Group had no significant fixed assets that were temporarily idle (31 December 2023: Nil).

As at 30 June 2024, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB1,731,328,000 (31 December 2023: RMB1,738,325,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 30 June 2024.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress

RMB'000

Item	30 June 2024 (unaudited)			31 December 2023		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
CRCC South China						
Headquarters Building Project	977,566	–	977,566	945,150	–	945,150
Jingjiang Bridge Science and Technology Industrial Park	347,667	–	347,667	226,214	–	226,214
CRCC Port and Shipping Project	234,711	–	234,711	203,192	–	203,192
Railway Construction No.1 Crane Ship Renovation Project	209,351	–	209,351	–	–	–
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	209,205	–	209,205	133,484	–	133,484
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	186,973	–	186,973	135,754	–	135,754
China Railway 14th Bureau Shield Machine Remanufacturing Project	165,552	–	165,552	104,382	–	104,382
Headquarter Buildings in Addis Ababa Ethiopia	151,210	–	151,210	135,427	–	135,427
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	126,618	–	126,618	111,212	–	111,212
China Railway Construction Yuhu Phase II	125,126	–	125,126	96,274	–	96,274
Others	2,920,296	9,563	2,910,733	3,729,189	9,563	3,719,626
Total	5,654,275	9,563	5,644,712	5,820,278	9,563	5,810,715

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (continued)

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Budget	1 January 2024	Additions	Transfer out	Others	30 June 2024	Source of funds	Proportion of investment to budget (%)
CRCC South China Headquarters Building Project	2,104,200	945,150	32,416	-	-	977,566	Self-funding/loan	46
Jingjiang Bridge Science and Technology Industrial Park	596,502	226,214	121,453	-	-	347,667	Self-funding/loan	58
CRCC Port and Shipping Project	764,240	203,192	31,519	-	-	234,711	Self-funding/loan	31
Railway Construction No.1 Crane Ship Renovation Project	300,000	-	209,351	-	-	209,351	Self-funding	70
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	133,484	75,721	-	-	209,205	Self-funding/loan	42
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	135,754	51,219	-	-	186,973	Self-funding/loan	43
China Railway 14th Bureau Shield Machine Remanufacturing Project	171,550	104,382	61,170	-	-	165,552	Self-funding	97
Headquarter Buildings in Addis Ababa Ethiopia	154,475	135,427	15,783	-	-	151,210	Self-funding	98
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	151,748	111,212	15,406	-	-	126,618	Self-funding/loan	83
China Railway Construction Yuhu Phase II	729,000	96,274	28,852	-	-	125,126	Self-funding	17
Others	--	3,729,189	1,976,595	2,741,758	(43,730)	2,920,296	Self-funding/loan	--
Total	--	5,820,278	2,619,485	2,741,758	(43,730)	5,654,275	--	--
Less: Provision for impairment	--	9,563	-	-	-	9,563	--	--
Net value at the end of the period	--	5,810,715	2,619,485	2,741,758	(43,730)	5,644,712	--	--

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (continued)

2023:

								RMB'000
Item	Budget	1 January 2023	Additions	Transfer out	Others	31 December 2023	Source of funds	Proportion of investment to budget (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	1,431,217	1,112,895	142,586	—	—	1,255,481	Self-funding/loan	88
CRCC South China Headquarters Building Project	2,104,200	836,141	109,009	—	—	945,150	Self-funding/loan	45
Jingjiang Bridge Science and Technology Industrial Park	596,502	105,457	120,757	—	—	226,214	Self-funding/loan	38
CRCC Port and Shipping Project	744,510	30,318	172,874	—	—	203,192	Self-funding/loan	27
Shield Machine Remanufacturing Project of CRCC Bridge Engineering Bureau Group 2nd Engineering Co., Ltd.	142,925	—	139,649	—	—	139,649	Self-funding	98
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	1,627	134,127	—	—	135,754	Self-funding	31
Headquarter Buildings in Addis Ababa Ethiopia	154,475	81,363	54,064	—	—	135,427	Self-funding	88
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	—	133,484	—	—	133,484	Self-funding	27
New Industry Manufacturing Changsha Base Phase I Project	499,200	14,487	100,688	—	—	115,175	Self-funding	23
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	151,748	67,194	44,018	—	—	111,212	Self-funding	73
Others	—	5,353,252	4,429,322	7,273,258	(89,776)	2,419,540	Self-funding/loan	—
Total	—	7,602,734	5,580,578	7,273,258	(89,776)	5,820,278	—	—
Less: Provision for impairment	—	9,563	—	—	—	9,563	—	—
Net value at the end of the year	—	7,593,171	5,580,578	7,273,258	(89,776)	5,810,715	—	—

For the six months ended 30 June 2024, construction in progress with a carrying amount of RMB2,735,427,000 (2023: RMB7,119,662,000), RMB6,331,000 (2023: RMB130,764,000) had been transferred to fixed assets and intangible assets respectively, and no construction in progress had been transferred to investment properties (2023: RMB22,832,000).

The restricted construction in progress of the Group are stated in Note V. 63.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (continued)

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows:

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Progress as at 30 June 2024 (%)	Capitalised amount of borrowing costs as at 30 June 2024	Interest capitalised during the period	Capitalisation rate during the period (%)
CRCC South China Headquarters Building Project	46	45,016	13,668	3.49
Jingjiang Bridge Science and Technology Industrial Park	58	18,268	1,218	3.99
CRCC Port and Shipping Project	31	4,375	2,595	3.35
Tianjin Construction Industrialisation Research and Development Production Base Phase II and III Project	83	3,790	3,790	3.09
Others	—	40,148	18,977	—
Total	—	111,597	40,248	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (continued)

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows: (continued)

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023	Interest capitalised during the year	Capitalisation rate during the year (%)
Zhuhai Hengqin CRCC Plaza (Original name: Hengqin Tiejian Plaza Project)	88	33,994	15,089	3.86
CRCC South China Headquarters Building Project	45	31,348	19,203	3.38
CRCC Port and Shipping Project	27	1,780	1,780	3.70
Jingjiang Bridge Science and Technology Industrial Park	38	17,050	17,050	3.99
Others	—	21,171	174,208	—
Total	—	105,343	227,330	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2024	5,980,669	5,267,309	679,943	359,658	12,287,579
Additions	555,850	843,418	122,258	65,889	1,587,415
Disposal or retirement	514,646	254,795	83,664	28,738	881,843
30 June 2024	6,021,873	5,855,932	718,537	396,809	12,993,151
II. Accumulated depreciation					
1 January 2024	2,440,464	2,113,773	472,115	120,527	5,146,879
Provision	521,980	463,631	89,849	37,782	1,113,242
Disposal or retirement	391,206	138,476	77,302	24,635	631,619
30 June 2024	2,571,238	2,438,928	484,662	133,674	5,628,502
III. Carrying amount					
Closing balance	3,450,635	3,417,004	233,875	263,135	7,364,649
Opening balance	3,540,205	3,153,536	207,828	239,131	7,140,700

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets (continued)

2023:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	4,103,363	5,088,933	601,419	216,527	10,010,242
Additions	2,655,103	1,613,744	122,537	175,850	4,567,234
Disposal or retirement	777,797	1,435,368	44,013	32,719	2,289,897
31 December 2023	5,980,669	5,267,309	679,943	359,658	12,287,579
II. Accumulated depreciation					
1 January 2023	1,840,661	2,563,660	375,573	75,991	4,855,885
Provision	1,091,130	916,195	140,060	74,607	2,221,992
Disposal or retirement	491,327	1,366,082	43,518	30,071	1,930,998
31 December 2023	2,440,464	2,113,773	472,115	120,527	5,146,879
III. Carrying amount					
Closing balance	3,540,205	3,153,536	207,828	239,131	7,140,700
Opening balance	2,262,702	2,525,273	225,846	140,536	5,154,357

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2024	9,295,728	66,832,816	1,739,925	2,121,434	79,989,903
Increase	100,778	18,197,092	113,011	40,478	18,451,359
Additions	100,778	6,344,706	106,680	40,478	6,592,642
Acquisition of subsidiaries (Note 1)	–	11,852,386	–	–	11,852,386
Transferred in from construction in progress	–	–	6,331	–	6,331
Decrease	65,255	278,728	71,396	8,619	423,998
Disposal or retirement	62,051	–	68,990	1,902	132,943
Other decreases	3,204	278,728	2,406	6,717	291,055
30 June 2024	9,331,251	84,751,180	1,781,540	2,153,293	98,017,264
II. Accumulated amortisation					
1 January 2024	2,111,903	4,781,866	1,097,309	838,732	8,829,810
Increase	114,189	517,447	141,478	61,467	834,581
Provision	114,189	517,447	141,478	61,467	834,581
Decrease	15,463	30,557	63,777	7,999	117,796
Disposal or retirement	15,158	–	61,500	1,585	78,243
Other decreases	305	30,557	2,277	6,414	39,553
30 June 2024	2,210,629	5,268,756	1,175,010	892,200	9,546,595
III. Provision for impairment					
1 January 2024 and 30 June 2024	9,043	1,060,130	–	354,462	1,423,635
IV. Carrying amount					
Closing balance	7,111,579	78,422,294	606,530	906,631	87,047,034
Opening balance	7,174,782	60,990,820	642,616	928,240	69,736,458

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (continued)

For the six months ended 30 June 2024 (unaudited): (continued)

Note 1: For the six months ended 30 June 2024, the Group's acquisitions of subsidiaries resulted in an increase of RMB11,852,386,000 in concession rights, which mainly included the Guizhou Wudang (Yangchang) to Changshun Highway and the Qianjiang District Transit Highway (Yuxiang Highway Liaison Route), etc.

2023:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2023	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
Increase	374,991	7,910,560	413,177	447,675	9,146,403
Additions	374,991	7,640,909	282,377	447,675	8,745,952
Acquisition of subsidiaries	–	186,319	36	–	186,355
Transferred in from construction in progress	–	–	130,764	–	130,764
Other increases	–	83,332	–	–	83,332
Decrease	247,616	–	61,726	48,554	357,896
Disposal or retirement	164,001	–	61,726	48,554	274,281
Other decreases	83,615	–	–	–	83,615
31 December 2023	9,295,728	66,832,816	1,739,925	2,121,434	79,989,903
II. Accumulated amortisation					
1 January 2023	1,947,968	3,766,111	891,867	753,532	7,359,478
Increase	233,887	1,015,755	253,790	110,414	1,613,846
Provision	233,887	997,898	253,790	110,414	1,595,989
Other increases	–	17,857	–	–	17,857
Decrease	69,952	–	48,348	25,214	143,514
Disposal or retirement	53,295	–	48,348	25,214	126,857
Other decreases	16,657	–	–	–	16,657
31 December 2023	2,111,903	4,781,866	1,097,309	838,732	8,829,810
III. Provision for impairment					
1 January 2023	9,043	1,060,130	–	242,003	1,311,176
Provision	–	–	–	112,459	112,459
31 December 2023	9,043	1,060,130	–	354,462	1,423,635
IV. Carrying amount					
Closing balance	7,174,782	60,990,820	642,616	928,240	69,736,458
Opening balance	7,211,342	54,096,015	496,607	726,778	62,530,742

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. *Intangible assets (continued)*

As at 30 June 2024, intangible assets recognised through internal research and development account for 0.01% of the closing balance of intangible assets (31 December 2023: 0.06%).

The restricted intangible assets of the Group are stated in Note V. 63.

As at 30 June 2024, the Group was in the process of applying for the title certificates of certain parcels of its land in the PRC with an aggregate carrying amount of RMB22,972,000 (31 December 2023: RMB60,675,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such land, and also of the opinion that the matter did not have any significant adverse impact on the Group's financial position as at 30 June 2024.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (continued)

The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows:

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Progress as at 30 June 2024 (%)	Capitalised amount of borrowing costs as at 30 June 2024 (Note)	Interest capitalised during the period	Capitalisation rate during the period (%)
Sichuan Jianpu Highway Project concession rights	100	1,122,008	—	—
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	483,194	—	—
Guizhou Wudang (Yangchang) to Changshun Highway	61	407,210	193,306	4.00
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	100	224,824	—	—
Guangxi Nanyuzhu Highway Yuheng Section concession rights	90	233,174	84,051	3.08
Guizhou Anshun to Ziyun Highway Project concession rights	100	154,428	—	—
Henan Lanyuan Expressway Project concession rights	100	138,599	—	—
Qianjiang District Transit Highway (Yuxiang Highway Liaison Route)	100	134,902	—	—
Chongqing rail transit Jiangtiao Line construction project concession rights	100	56,289	—	—
Others	—	403,956	59,090	—
Total	—	3,358,584	336,447	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (continued)

The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows: (continued)

2023:

RMB'000

Item	Progress as at 31 December 2023 (%)	Capitalised amount of borrowing costs as at 31 December 2023 (Note)	Interest capitalised during the year	Capitalisation rate during the year (%)
Sichuan Jianpu Highway Project concession rights	100	1,125,187	—	—
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	483,987	—	—
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	99	225,682	108,134	3.45
Guizhou Anshun to Ziyun Highway Project concession rights	100	154,716	—	—
Guangxi Nanyuzhu Highway Yuheng Section concession rights	72	149,123	122,892	3.08
Henan Lanyuan Expressway Project concession rights	98	138,706	13,146	3.64
Yusui Highway Project concession rights	100	77,570	—	—
Chongqing rail transit Jiangtiao Line construction project concession rights	100	57,368	—	—
Beijing New Airport North Line Highway project	100	56,192	—	—
Others	—	211,087	67,537	—
Total	—	2,679,618	311,709	—

Note: It is accumulated during the construction of the concession rights and will be amortised according to the expected realisation of the economic benefits of the project during its operation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill

For the six months ended 30 June 2024:

Original costs

RMB'000

Item	1 January 2024	Increase (unaudited)	Decrease (unaudited)	Exchange differences on translation of foreign operations (unaudited)	30 June 2024 (unaudited)
Acquisition of ALDESA Company (Note 1)	422,833	–	–	(10,625)	412,208
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	557,330	–	–	(10,625)	546,705

Provision for impairment

RMB'000

Item	1 January 2024	Increase (unaudited)	Decrease (unaudited)	Exchange differences on translation of foreign operations (unaudited)	30 June 2024 (unaudited)
Acquisition of ALDESA Company (Note 1)	422,833	–	–	(10,625)	412,208
Acquisition of CIDEON Company (Note 2)	78,880	–	–	–	78,880
Total	501,713	–	–	(10,625)	491,088

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill (continued)

For the six months ended 30 June 2024: (continued)

Net value of goodwill

RMB'000

Item	1 January 2024	Increase (unaudited)	Decrease (unaudited)	Exchange differences on translation of foreign operations (unaudited)	30 June 2024 (unaudited)
Acquisition of ALDESA Company (Note 1)	–	–	–	–	–
Acquisition of CIDEON Company (Note 2)	12,489	–	–	–	12,489
Others	43,128	–	–	–	43,128
Total	55,617	–	–	–	55,617

2023:

Original costs

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	399,073	–	–	23,760	422,833
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	533,570	–	–	23,760	557,330

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill (continued)

2023: (continued)

Provision for impairment

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	313,378	91,036	–	18,419	422,833
Acquisition of CIDEON Company (Note 2)	56,674	22,206	–	–	78,880
Total	370,052	113,242	–	18,419	501,713

Net value of goodwill

RMB'000

Item	1 January 2023	Increase	Decrease	Exchange differences on translation of foreign operations	31 December 2023
Acquisition of ALDESA Company (Note 1)	85,695	–	91,036	5,341	–
Acquisition of CIDEON Company (Note 2)	34,695	–	22,206	–	12,489
Others	43,128	–	–	–	43,128
Total	163,518	–	113,242	5,341	55,617

Note 1: The goodwill of EUR 54,670,000 was acquired in the business combination involving entities not under common control of GRUPO ALDESA, S.A. ("ALDESA Company") on 8 May 2020. In 30 June 2024, the Group recognised accumulated impairment of the goodwill of EUR54,670,000.

Note 2: On 29 February 2016, the Group purchased CIDEON Engineering GmbH&Co.KG, CIDEON Engineering Verwaltungs GmbH and CIDEON Schweiz AG (collectively referred to as "CIDEON Company"), which is a business combination involving entities not under common control and resulted in the increase in goodwill by EUR 11,710,000. In 30 June 2024, the Group recognised accumulated impairment of the goodwill of EUR10,040,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities

RMB'000

Item	30 June 2024 (unaudited)		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for long-term post-leaving benefits	80,210	15,804	91,393	17,850
Provision for impairment of credit and assets	36,458,463	6,395,236	35,127,556	6,272,952
Deductible tax losses	6,192,184	1,516,224	5,299,868	1,296,557
Lease liabilities	5,318,503	1,046,399	5,105,216	1,016,877
Revaluation surplus from restructuring	1,103,901	275,975	1,155,432	288,858
Unrealised profits of intra-group transactions	8,607,833	1,940,991	8,230,341	1,866,254
Changes in fair value of other equity instrument investments	138,431	32,044	131,883	26,746
Interest expenses that can be carried forward for deduction	724,512	181,128	703,912	175,978
Others	8,679,796	1,767,569	8,558,936	1,721,197
Total	67,303,833	13,171,370	64,404,537	12,683,269
Item	Taxable temporary differences		Taxable temporary differences	
	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Right-of-use assets	5,860,417	1,134,353	5,631,994	1,106,812
Changes in fair value of other equity instrument investments	1,359,448	261,050	1,237,793	230,969
Asset appreciation from appraisal for business combinations involving entities not under common control	384,070	96,018	391,297	97,824
Book-tax temporary differences for revenue recognition	5,292,780	1,318,209	4,995,849	1,318,904
Others	3,579,303	714,366	3,325,349	725,451
Total	16,476,018	3,523,996	15,582,282	3,479,960

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (continued)

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

RMB'000

Item	Offset amount between deferred tax assets and liabilities at the end of the period (unaudited)	Closing balance of deferred tax assets or liabilities after offset (unaudited)	Offset amount between deferred tax assets and liabilities at the beginning of the period	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	1,620,923	11,550,447	1,471,357	11,211,912
Deferred tax liabilities	1,620,923	1,903,073	1,471,357	2,008,603

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Deductible temporary differences	14,893,213	14,316,726
Deductible tax losses	24,784,000	23,172,034
Total	39,677,213	37,488,760

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (continued)

Deductible losses, for which no deferred tax assets are recognised, will expire in the following years:

RMB'000

Year	30 June 2024 (unaudited)	31 December 2023
2024	1,888,571	1,927,158
2025	3,439,389	3,452,708
2026	4,817,190	4,865,996
2027	4,434,122	4,652,072
2028	5,633,882	6,200,188
2029	2,581,388	185,955
2030	849,551	857,374
2031	427,993	427,993
2032	294,077	294,077
2033	308,513	308,513
2034	109,324	–
Total	24,784,000	23,172,034

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Retention receivables	84,953,530	77,647,914
Contract assets derived from land development receivables and other project receivables	50,727,476	47,428,493
Others	6,435,980	6,413,083
Subtotal	142,116,986	131,489,490
Less: Current portion of other non-current assets (Note V. 10)	7,139,946	7,533,560
Total	134,977,040	123,955,930

The restricted other non-current assets of the Group are stated in Note V. 63.

Contract assets and provision for impairment of assets in other non-current assets are disclosed by category as follows:

RMB'000

Category	30 June 2024 (unaudited)				
	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision for impairment of assets assessed individually	6,191,495	4.47	1,950,762	31.51	4,240,733
Provision for impairment of assets assessed by credit risk portfolio	132,311,043	95.53	870,770	0.66	131,440,273
Total	138,502,538	100.00	2,821,532	2.04	135,681,006

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (continued)

Movements of contract assets and provision for impairment of assets in other non-current assets are as follows:

RMB'000

Item	31 December 2023	Provision (unaudited)	Less: Reversal (unaudited)	Others (unaudited)	30 June 2024 (unaudited)
Provision for impairment of assets	2,700,485	277,950	173,487	16,584	2,821,532

As at 30 June 2024, contract assets in other non-current assets with provision for impairment of assets assessed individually are as follows:

RMB'000

Company name	30 June 2024 (unaudited)			Reason
	Gross carrying amount	Provision for impairment of assets	Provision percentage %	
Company 1	1,227,719	117,148	9.54	Note
Company 2	563,149	30,221	5.37	Note
Company 3	309,433	56,618	18.30	Note
Company 4	303,313	108,957	35.92	Note
Company 5	63,556	17,192	27.05	Note
Others	3,724,325	1,620,626	43.51	—
Total	6,191,495	1,950,762	31.51	—

Note: According to the recoverability of other non-current assets, the Group recorded impairment.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (continued)

As at 30 June 2024, contract assets in other non-current assets whose allowance for credit losses were assessed by credit risk portfolio (Note VIII, 3) are as follows (unaudited):

RMB'000

	Gross carrying amount	Provision for impairment of assets Amount (%)	Provision proportion
Portfolio 1	95,577,865	558,035	0.58
Portfolio 2	8,044,137	42,423	0.53
Portfolio 3	8,096,750	39,473	0.49
Portfolio 4	20,592,291	230,839	1.12
Total	132,311,043	870,770	0.66

26. Short-term loans

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Credit loans	158,485,714	76,839,215
Guaranteed loans (Note 3)	1,839,303	1,498,950
Pledged loans (Note 1 and Note 2)	3,197,704	3,501,593
Total	163,522,721	81,839,758

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Short-term loans (continued)

Note 1: As at 30 June 2024, short-term loans with a carrying amount of RMB3,051,794,000 (31 December 2023: RMB3,501,593,000) were secured by the pledge of the Group's trade receivables and all the interests and gains under the contracts thereof with a carrying amount of RMB3,051,794,000 (31 December 2023: RMB3,501,593,000).

Note 2: As at 30 June 2024, short-term loans with a carrying amount of RMB173,797,000 (31 December 2023: Nil) were secured by the pledge of the Group's concession rights with a carrying amount of RMB145,910,000 (31 December 2023: Nil).

Note 3: As at 30 June 2024 and 31 December 2023, all guaranteed loans were guaranteed by the entities comprising the Group.

As at 30 June 2024, annual interest rates of above short-term loans ranged from 1.45% to 8.50% (31 December 2023: 1.45% to 8.50%).

As at 30 June 2024, the Group had no overdue short-term loans (31 December 2023: Nil).

27. Due to customers

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Due to customers	1,276,334	1,356,691

28. Bills payable

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Bank acceptance bills	33,352,619	40,359,706
Commercial acceptance bills	7,707,534	13,101,536
Total	41,060,153	53,461,242

As at 30 June 2024, the Group had no unpaid overdue bills payable (31 December 2023: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Trade payables

Aging of trade payables is listed as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Within 1 year	462,896,187	481,905,215
1 to 2 years	3,676,168	6,632,866
2 to 3 years	2,290,945	2,006,849
Over 3 years	1,075,218	1,022,284
Total	469,938,518	491,567,214

As at 30 June 2024, trade payables aged over one year amounted to RMB7,042,331,000 (31 December 2023: RMB9,661,999,000), primarily consisted of payables for construction contracts and materials. Since the progress of relevant projects had not reached the point of payments, these trade payables had not been settled.

30. Contract liabilities

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Advances for construction operations	58,182,125	77,398,274
Advances for the sale of properties (Note)	59,243,985	67,719,450
Advances for the sale of materials	2,456,532	3,266,407
Advances for the sale of goods	915,460	825,717
Others	1,044,644	986,454
Total	121,842,746	150,196,302

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Contract liabilities (continued)

Note: Details of advances for the sale of properties are listed as follows:

RMB'000

Project name	30 June 2024 (unaudited)	Percentage of accumulated pre-sales as at 30 June 2024 (%)	Estimated completion date
Shanghai Riverside Mansion Project	4,490,194	45	October 2025
Chengdu Qingyang City Park Junior Project	4,165,547	90	December 2024
Xipai Chengyang Project	2,215,328	95	December 2024
Jinyue Mingdi Project	1,972,362	92	December 2024
Xipai Tangyue Project	1,855,220	87	December 2024
Xipai Linyue Project	1,820,480	67	December 2024
Suzhou Chefang Project	1,804,850	48	January 2025
Hangzhou Lakeside Mansion Project	1,758,194	99	October 2024
Chenyue International Project	1,691,417	95	August 2024
Chengdu Wuhou City Park Junior Project	1,645,390	15	August 2025
Tiejian City Project	1,529,467	23	December 2024
CRCC Tianchen Yayuan Project	1,271,824	95	August 2025
Wuhan CRCC International City III Project	1,216,331	55	December 2024
CRCC Xipai Lan'an Project	1,132,988	15	October 2025
Xi'an CRCC International City III Project	1,129,675	94	December 2024
Xipai Jinyue Project	1,102,011	59	December 2024
Chongqing Shanyu Taoyuan Project	1,063,295	27	October 2024
CRCC Huayutang Project	1,019,459	42	December 2024
Xi'an CRCC International City II Project	997,040	96	March 2025
Xipai Yuefu Project	880,462	35	December 2024
Others	24,482,451	—	—
Total	59,243,985	—	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Contract liabilities (continued)

As at the balance sheet date, significant contract liabilities aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	30 June 2024 (unaudited)	Reasons
Company 1	Third party	611,811	Work performed but not billed
Company 2	Third party	586,694	Work performed but not billed
Company 3	Third party	402,089	Work performed but not billed
Company 4	Third party	398,170	Work performed but not billed
Company 5	Third party	360,398	Work performed but not billed
Total	—	2,359,162	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable

For the six months ended 30 June 2024:

RMB'000

Item	1 January 2024	Accrued (unaudited)	Paid (unaudited)	30 June 2024 (unaudited)
Short-term benefits	13,541,909	35,602,668	36,949,319	12,195,258
Post-employment benefits (defined contribution plans)	2,575,524	4,410,718	4,362,793	2,623,449
Total	16,117,433	40,013,386	41,312,112	14,818,707

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Short-term benefits	11,738,521	73,412,704	71,609,316	13,541,909
Post-employment benefits (defined contribution plans)	2,168,216	8,984,873	8,577,565	2,575,524
Total	13,906,737	82,397,577	80,186,881	16,117,433

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable (continued)

Short-term benefits:

For the six months ended 30 June 2024:

RMB'000

Item	1 January 2024	Accrued (unaudited)	Paid (unaudited)	30 June 2024 (unaudited)
Salaries, bonuses, allowances and subsidies	9,049,546	24,563,053	25,852,789	7,759,810
Staff welfare	–	2,043,479	2,043,479	–
Social insurance	1,539,562	2,320,251	2,281,061	1,578,752
Including: Medical insurance	1,371,059	2,090,652	2,054,063	1,407,648
Work injury insurance	128,139	178,103	176,807	129,435
Maternity insurance	40,364	51,496	50,191	41,669
Housing funds	1,173,789	2,371,510	2,356,465	1,188,834
Union fund and employee education fund	816,225	585,193	553,908	847,510
Others	962,787	3,719,182	3,861,617	820,352
Total	13,541,909	35,602,668	36,949,319	12,195,258

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable(continued)

Short-term benefits:(continued)

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Salaries, bonuses, allowances and subsidies	8,035,885	50,677,931	49,664,270	9,049,546
Staff welfare	–	4,812,981	4,812,981	–
Social insurance	1,302,419	4,661,509	4,424,366	1,539,562
Including: Medical insurance	1,144,269	4,217,786	3,990,996	1,371,059
Work injury insurance	116,099	348,225	336,185	128,139
Maternity insurance	42,051	95,498	97,185	40,364
Housing funds	994,463	4,690,939	4,511,613	1,173,789
Union fund and employee education fund	745,917	1,488,537	1,418,229	816,225
Others	659,837	7,080,807	6,777,857	962,787
Total	11,738,521	73,412,704	71,609,316	13,541,909

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Employee benefits payable (continued)

Defined contribution plan:

For the six months ended 30 June 2024:

RMB'000

Item	1 January 2024	Accrued (unaudited)	Paid (unaudited)	30 June 2024 (unaudited)
Basic pension insurance	1,722,996	3,275,494	3,240,131	1,758,359
Unemployment insurance	105,316	123,939	126,966	102,289
Supplementary pension insurance	747,212	1,011,285	995,696	762,801
Total	2,575,524	4,410,718	4,362,793	2,623,449

2023:

RMB'000

Item	1 January 2023	Accrued	Paid	31 December 2023
Basic pension insurance	1,491,523	6,505,311	6,273,838	1,722,996
Unemployment insurance	91,267	247,255	233,206	105,316
Supplementary pension insurance	585,426	2,232,307	2,070,521	747,212
Total	2,168,216	8,984,873	8,577,565	2,575,524

Defined contribution plan includes basic pension insurance and unemployment insurance managed by local governments and the Group's supplementary pension insurance. In addition to the monthly payments, the Group is no longer liable for further payments. Relevant expenditures are capitalised or expensed in the period when incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Taxes payable

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
EIT	2,677,966	4,279,976
VAT	2,099,186	2,326,120
Others	1,381,933	2,453,181
Total	6,159,085	9,059,277

33. Other payables

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Payables for advances	46,255,400	35,267,909
Guarantees and deposits	33,049,016	31,249,355
Amounts due to related parties	25,141,021	17,933,942
Amounts due to partners	4,397,663	3,729,513
Dividends payable	6,781,002	1,137,603
Others	17,526,937	16,739,815
Total	133,151,039	106,058,137

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Other payables (continued)

As at 30 June 2024, significant other payables aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	30 June 2024 (unaudited)	Reasons
Company 1	Third Party	680,216	Payables not settled
Company 2	Third Party	213,576	Payables not settled
Company 3	Third Party	115,871	Payables not settled
Company 4	Third Party	111,375	Payables not settled
Company 5	Third Party	101,970	Payables not settled
Total	—	1,223,008	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Current portion of non-current liabilities

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Current portion of long-term loans (Note V. 36)	37,496,846	32,205,519
Current portion of bonds payable (Note V. 37)	16,218,891	12,173,678
Current portion of long-term payables	8,266,786	7,732,647
Current portion of lease liabilities (Note V. 38)	2,478,687	2,106,473
Current portion of provisions	263,687	224,184
Current portion of post-employment benefits payable	21,048	26,017
Total	64,745,945	54,468,518

The current portion of long-term loans is presented as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Credit loans	27,049,007	20,912,845
Guaranteed loans (Note V. 36 (Note 9))	3,768,221	2,386,436
Mortgaged loans (Note V. 36 (Note 4, 5, 8))	5,282,335	4,482,925
Pledged loans (Note V. 36 (Note 1, 2, 3))	1,397,283	4,423,313
Total	37,496,846	32,205,519

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other current liabilities

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Amounts to be transferred to output VAT	34,851,151	33,419,043
Others	340,998	275,743
Total	35,192,149	33,694,786

36. Long-term loans

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Pledged loans (Note 1, Note 2, Note 3)	52,874,737	46,162,594
Mortgaged loans (Note 4, Note 5, Note 6, Note 7, Note 8)	26,544,080	23,030,661
Guaranteed loans (Note 9)	5,321,306	8,844,955
Credit loans	116,679,599	87,583,268
Total	201,419,722	165,621,478

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term loans (continued)

Note 1: As at 30 June 2024, long-term loans with a carrying amount of RMB38,938,187,000, including current portion of long-term loans of RMB457,882,000 (31 December 2023: RMB31,447,659,000, including current portion of long-term loans of RMB516,497,000) were secured by pledges of the Group's concession rights with a carrying amount of RMB60,149,843,000 (31 December 2023: RMB44,149,387,000).

Note 2: As at 30 June 2024, long-term loans with a carrying amount of RMB2,231,621,000 including no current portion of long-term loans (31 December 2023: RMB6,102,222,000, including current portion of long-term loans of RMB2,260,244,000) were secured by pledge of the Group's trade receivables and all equity and income under the contract to which the trade receivable belongs with a carrying amount of RMB2,231,621,000 (31 December 2023: RMB6,118,285,000).

Note 3: As at 30 June 2024, long-term loans with a carrying amount of RMB13,102,212,000 including current portion of long-term loans of RMB939,401,000 (31 December 2023: RMB13,036,026,000, including current portion of long-term loans of RMB1,646,572,000) were secured by pledges of the Group's contract assets of primary land development and other projects with a carrying amount of RMB21,099,344,000 (31 December 2023: the Group's contract assets of primary land development and other projects RMB14,856,837,000), and long-term receivables RMB5,691,267,000 (31 December 2023: RMB5,435,799,000).

Note 4: As at 30 June 2024, long-term loans with a carrying amount of RMB2,239,626,000, including current portion of long-term loans of RMB5,241,000 (31 December 2023: RMB1,522,817,000, including current portion of long-term loans of RMB63,087,000) were secured by mortgages of the Group's fixed assets with a carrying amount of RMB3,294,561,000 (31 December 2023: RMB2,955,270,000).

Note 5: As at 30 June 2024, long-term loans with a carrying amount of RMB29,093,207,000, including current portion of long-term loans of RMB5,243,854,000 (31 December 2023: RMB24,393,987,000, including current portion of long-term loans of RMB4,200,338,000) were secured by mortgages of the Group's inventories with a carrying amount of RMB54,950,275,000 (31 December 2023: RMB45,687,542,000).

Note 6: As at 30 June 2024, long-term loans with a carrying amount of RMB166,431,000 (31 December 2023: RMB1,148,207,000), were secured by mortgages of the Group's construction in progress with a carrying amount of RMB459,386,000 (31 December 2023: RMB3,030,237,000).

Note 7: As at 30 June 2024, long-term loans with a carrying amount of RMB190,484,000 (31 December 2023: nil) were secured by pledges of the Group's investment properties with a carrying amount of RMB124,496,000 (31 December 2023: nil).

Note 8: As at 30 June 2024, long-term loans with a carrying amount of RMB136,667,000, including current portion of long-term loans of RMB33,240,000 (31 December 2023: RMB448,575,000, including current portion of long-term loans of RMB219,500,000) were secured by pledges of the Group's land use rights with a carrying amount of RMB47,465,000 (31 December 2023: RMB689,249,000).

Note 9: As at 30 June 2024, the guaranteed long-term loans, including current portion of long-term loans of RMB3,768,221,000 (31 December 2023: RMB2,386,436,000), were all internally guaranteed by the entities comprising the Group. (31 December 2023: the guaranteed borrowings were all internally guaranteed by the entities comprising the Group).

As at 30 June 2024, the Group had no overdue long-term loans (31 December 2023: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Long-term loans (continued)

The maturity profile of the long-term loans as at the end of the year is listed as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Within one year (Note V. 34)	37,496,846	32,205,519
In the second year (inclusive)	54,089,067	42,917,553
In the second to fifth year (inclusive)	83,982,759	70,846,881
Over five years	63,347,896	51,857,044
Total	238,916,568	197,826,997

37. Bonds payable

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Bonds payable	42,884,221	43,205,227
Less: Current portion of bonds payable (Note V. 34)	16,218,891	12,173,678
Non-current portion of bonds payable	26,665,330	31,031,549

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 30 June 2024, balances of bonds payable are listed as follows (unaudited):

RMB'000

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2024
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,405,000	15 September 2020	3+2 years	3,405,000	4.05%	3,434,148	-	59,137	574	-	3,493,859
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	2,900,000	18 March 2022	3+2 years	2,900,000	3.65%	2,977,758	-	53,635	639	109,500	2,922,532
China Railway Construction Real Estate Group Co., Ltd. – 2024 first issue of public placement corporate bonds to professional investors	2,410,000	17 January 2024	3+2 years	2,410,000	3.30%	-	2,410,000	27,830	-4,192	-	2,433,638
CRCC Huan Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR300 million	20 May 2021	5 years	EUR300 million	0.88%	2,365,720	-	9,688	-58,180	20,112	2,297,116
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	9 January 2023	3+2 years	2,200,000	4.45%	2,266,427	-	47,875	377	117,900	2,216,779
CRCC Huan Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,125,786	-	20,023	13,933	20,044	2,139,698
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,169,271	-	47,250	642	94,500	2,122,663
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,017,115	-	35,200	414	-	2,052,729
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	1,830,000	2 March 2021	3+2 years	1,830,000	4.17%/3.25%	2,059,854	75,000	34,065	2,009	328,400	1,842,528

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 30 June 2024, balances of bonds payable are listed as follows (unaudited): (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the period	Discountor premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2024
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	1,830,000	10 March 2023	3+2 years	1,830,000	3.84%	1,888,042	-	37,656	536	96,000	1,840,234
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	27 June 2022	3+2 years	1,760,000	3.43%	1,791,194	-	34,210	418	68,600	1,757,222
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,734,337	-	30,996	359	72,390	1,693,302
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public placement corporate bonds to professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%/3.68%	1,344,292	290,000	24,028	3,710	339,140	1,322,890
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public placement corporate bonds to professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%/3.55%	1,341,994	130,000	23,942	1,863	181,350	1,316,449
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	17 July 2023	3+2 years	1,300,000	3.58%	1,317,220	-	20,428	195	60,000	1,277,843
China Railway Construction Real Estate Group Co., Ltd. – 2024 first issue of medium term note	1,210,000	26 February 2024	3+2 years	1,210,000	3.00%	-	1,210,000	11,774	-1,962	-	1,219,812
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,120,000	15 July 2022	3+2 years	1,120,000	3.40%	1,138,863	-	13,427	314	-	1,152,604
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public placement corporate bonds to professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,121,193	-	18,204	246	-	1,139,643
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,090,000	18 May 2022	3+2 years	1,090,000	3.30%	1,116,606	-	24,736	315	49,500	1,092,157
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	890,000	23 March 2020	3+2 years	890,000	4.30%	917,866	-	19,135	294	38,270	899,025

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 30 June 2024, balances of bonds payable are listed as follows (unaudited): (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the period	Discountor premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2024
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement Corporate bond (variety 1)	770,000	27 May 2022	3 years	770,000	3.20%	787,396	50,000	15,605	441	32,000	821,442
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	700,000	12 October 2022	3+2 years	700,000	3.74%	702,895	-	13,090	94	-	716,079
China Railway Construction Real Estate Group Co., Ltd. – 2024 second issue of medium term note	690,000	7 March 2024	3+2 years	690,000	3.20%	-	690,000	5,025	-1,334	-	693,691
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety 2)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,375	-	10,350	76	20,700	605,101
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	715,231	-	10,698	137	124,650	601,216
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,631	-	5,107	168	-	512,906
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of targeted placement notes	500,000	4 July 2023	3+2 years	500,000	3.65%	502,161	-	9,125	89	-	511,375
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	515,978	-	9,250	153	18,500	506,881
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	513,723	-	9,749	99	19,500	504,071
China Railway Construction Real Estate Group Co., Ltd. – 2024 third issue of medium term note	310,000	5 June 2024	3+2 years	310,000	2.53%	-	310,000	-	-675	222	309,103
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	300,000	28 March 2022	3+2 years	300,000	3.99%	312,944	-	5,985	87	11,970	307,046

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 30 June 2024, balances of bonds payable are listed as follows (unaudited): (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2024	Amount issued	Interest accrued in the period	Discountor premium amortisation and interest paid in the exchange effects	30 June 2024
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	290,000	25 March 2022	3+2 years	290,000	3.70%	287,859	10,000	5,599	68	292,426
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety 2)	320,000	27 May 2022	5 years	320,000	3.68%	329,813	-	8,621	127	270,161
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond (variety 1)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,764,645	-	21,938	1,167	-
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,026,765	-	1,571	-26,765	-
China Railway Construction Real Estate Group Co., Ltd. – 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,105	-	2,745	130	-
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	197,000	9 April 2019	3+2 years	197,000	3.19%	202,020	-	7,999	-2,020	-
Total	-	-	-	-	-	43,205,227	5,175,000	735,696	(65,454)	42,884,221
Less: Current portion of bonds payable	-	-	-	-	-	12,173,678	-	-	-	16,218,891
Non-current portion of bonds payable	-	-	-	-	-	31,031,549	-	-	-	26,665,330

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 31 December 2023, balances of bonds payable are listed as follows:

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
											RMB'000
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,405,000	15 September 2020	3+2 years	3,405,000	4.05%	3,620,343	385,000	141,177	3,023	715,395	3,434,148
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	3,075,098	–	109,500	2,660	209,500	2,977,758
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,768,924	–	87,750	(4,279)	87,750	2,764,645
CRCC Huan Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR300 million	20 May 2021	5 years	EUR300 million	0.88%	2,232,583	–	20,576	132,466	19,905	2,365,720
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	9 January 2023	3+2 years	2,200,000	4.45%	–	2,200,000	89,742	(3,315)	–	2,286,427
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,147,106	–	87,675	1,690	67,200	2,169,271
CRCC Huan Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,088,966	–	39,979	36,770	39,929	2,125,766
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,058,325	–	83,400	1,529	83,400	2,059,854
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,016,308	–	70,400	807	70,400	2,017,115

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	1,830,000	10 March 2023	3+2 years	1,830,000	3.84%	–	1,830,000	72,000	(3,958)	–	1,898,042
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	27 June 2022	3+2 years	1,760,000	3.43%	1,228,492	560,000	68,600	2,702	68,600	1,791,194
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,732,807	–	62,390	1,530	62,390	1,734,337
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public placement corporate bonds to professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,343,183	–	49,140	1,109	49,140	1,344,292
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public placement corporate bonds to professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,841	–	51,350	1,154	51,351	1,341,994
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	17 July 2023	3+2 years	1,300,000	3.58%	–	1,300,000	19,392	(2,172)	–	1,317,220
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,120,000	15 July 2022	3+2 years	1,120,000	3.40%	918,178	220,000	51,000	885	51,000	1,138,863
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public placement corporate bonds to professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,120,060	–	36,408	1,133	36,408	1,121,193
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	1,126,716	–	49,500	(110)	59,500	1,116,606
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,032,355	–	31,996	(5,590)	31,996	1,028,765
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	890,000	23 March 2020	3+2 years	890,000	4.30%	920,738	–	36,083	565	39,520	917,866

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. - 2022- fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	786,241	-	32,000	1,155	32,000	787,396
China Railway Construction Real Estate Group Co., Ltd. - 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	-	700,000	16,567	(1,336)	-	715,231
China Railway Construction Real Estate Group Co., Ltd. - 2022 fourth issue of medium term note	700,000	12 October 2022	3+2 years	700,000	3.74%	402,866	300,000	26,180	29	26,180	702,895
China Railway Construction Investment Group Co., Ltd. - 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,227	-	20,700	148	20,700	615,375
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	515,762	-	18,500	216	18,500	515,978
China Railway Construction Real Estate Group Co., Ltd. - 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	-	500,000	14,625	(902)	-	513,723
China Railway Construction Real Estate Group Co., Ltd. - 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,268	-	26,800	363	26,800	507,631
China Railway Construction Real Estate Group Co., Ltd. - 2023 second issue of targeted placement notes	500,000	4 July 2023	3+2 years	500,000	3.65%	-	500,000	3,042	(881)	-	502,161
China Railway Construction Real Estate Group Co., Ltd. - 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.68%	328,456	-	18,400	1,358	18,401	329,813
China Railway Construction Real Estate Group Co., Ltd. - 2022 second issue of targeted placement notes	300,000	28 March 2022	3+2 years	300,000	3.99%	167,827	140,000	16,533	554	11,970	312,944
China Railway Construction Real Estate Group Co., Ltd. - 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.70%	308,257	-	11,100	(398)	31,100	287,859

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

As at 31 December 2023, balances of bonds payable are listed as follows: (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2023
China Railway Construction Real Estate Group Co., Ltd. – 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,514	–	10,980	(410)	10,979	263,105
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	197,000	9 April 2019	3+2 years	197,000	3.19%	196,725	–	6,283	5,295	6,283	202,020
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 7)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,593,404	–	72,695	(29,962)	5,636,137	–
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	819,052	–	6,360	28	825,440	–
China Railway SIYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020	3 years	1,000,000	2.50%	1,014,722	–	10,278	25,000	1,050,000	–
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,982	–	4,000	18	516,000	–
China Railway Construction Real Estate Group Co., Ltd. – 2018 first issue of medium term note	2,200,000	19 January 2018	5 years	2,200,000	5.94%	2,290,170	–	7,883	(3,453)	2,294,600	–
China Railway Construction Real Estate Group Co., Ltd. – Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 years	100,000	5.50%	102,479	–	1,060	2,927	106,466	–
Total	–	–	–	–	–	45,194,975	8,635,000	1,582,044	168,148	12,374,940	43,205,227
Less: Current portion of bonds payable	–	–	–	–	–	17,098,279	–	–	–	–	12,173,678
Non-current portion of bonds payable	–	–	–	–	–	28,096,696	–	–	–	–	31,031,549

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Bonds payable (continued)

Note 1: The Group's overseas subsidiary issued 5-year and 10-year US dollar bonds in the international market are guaranteed by the Company with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Note 2: The Group's overseas subsidiary issued 5-year Euro bonds in the international market are guaranteed by the Company with fixed interest rate, yearly interest payment and principal repayment maturity.

Besides the long term bonds mentioned above, others were general corporate bonds issued on Shanghai Stock Exchange, and unsecured medium-term Notes, non-public directional debt financing instruments issued in National Association of Financial Market Institutional Investors. The relevant long term bonds were with fixed interest rates, interest repayment based on scheduled repayment dates and principal repayment at maturity. For certain bonds, at the end of third year or the fifth year, issuer have right to adjust coupon rate and redeem, and investor have right to put back option.

38. Lease liabilities

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Lease liabilities	6,490,362	6,186,880
Less: Total current portion of lease liabilities (<i>Note V. 34</i>)	2,478,687	2,106,473
Total non-current portion of lease liabilities	4,011,675	4,080,407

39. Long-term payables

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Retention payables and other long-term project payables	31,872,773	31,722,357
Payables for specific items	4,614,316	4,985,481
Special payables	237,382	210,597
Others	5,511,710	4,344,737
Total	42,236,181	41,263,172

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Share capital

For the six months ended 30 June 2024:

RMB'000

Item	1 January 2024	Increase (unaudited)	Decrease (unaudited)	30 June 2024 (unaudited)
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other equity instruments

RMB'000

Item		30 June 2024 (unaudited)	31 December 2023
2019 & 2020 renewable loans	Note 1	22,200,000	22,200,000
2022 renewable corporate bonds	Note 2	10,993,335	10,993,335
2021 renewable corporate bonds	Note 3	7,794,890	9,593,972
2023 renewable corporate bonds	Note 4	4,196,933	4,196,933
2019 renewable corporate bonds	Note 5	2,998,589	2,998,589
2024 renewable corporate bonds	Note 6	2,998,202	–
2023 medium-term notes Phase I	Note 7	2,995,466	2,995,466
2022 medium-term notes Phase I	Note 8	2,995,372	2,995,372
2021 CRCC medium-term notes	Note 9	1,994,120	1,994,120
2019 CRCC medium-term notes	Note 10	1,495,643	1,495,643
Total		60,662,550	59,463,430

Note 1: In 2019 and 2020, the Company entered into renewable loans contracts with an aggregate principal amount of RMB35,600,000,000. Pursuant to the terms of these renewable loans contracts, the Company has the option to redeem the renewable loans at the expiration of 5 years or 7 years or 10 years since the investment principal transfer date, if no redemption requested at the time point mentioned above, the investment term of the relevant investment principal will be continued, the Company will have option to request for redemption before three months at the expiration date of 1 year or 3 years. The nominal interest rate of the renewable loans mentioned above in the first loan term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent loan terms is adjusted as the current prime interest rate plus initial spread plus 100 or 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The loans are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the loans did not satisfy the definition of financial liabilities, and recognised the renewable loans as other equity instruments. In 2022 and 2021, the Company redeemed part of the above renewable loans, the principal redeemed amounted to RMB13,400,000,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other equity instruments (continued)

Note 2: On April 2022, July 2022, and December 2022, the Company issued renewable bonds respectively with an aggregate principal amount of RMB11,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 or 310 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB10,993,335,000, net of the relevant expenses of issuance of RMB6,665,000.

Note 3: On June 2021, November 2021, and December 2021, the Company issued renewable bonds respectively with an aggregate principal amount of RMB9,600,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB9,593,972,000, net of the relevant expenses of issuance of RMB6,028,000. In 2024, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB1,800,000,000. The differences between redeemed principal and the carrying amount of RMB918,000 are included in capital reserve.

Note 4: On June 2023 and December 2023, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,200,000,000. Pursuant to the terms of the renewable bonds, for the phase-I renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points; for the phase-II renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 200 basis points. The maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,196,933,000, net of the relevant expenses of issuance of RMB3,067,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other equity instruments (continued)

Note 5: On October 2019, November 2019, and December 2019, the Company issued renewable bonds respectively with an aggregate principal amount of RMB12,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB11,994,417,000, net of the relevant expenses of issuance of RMB5,583,000. In 2022, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB9,000,000,000. The differences between redeemed principal and the carrying amount of RMB4,172,000 are included in capital reserve.

Note 6: On June 2024, the Company issued renewable bonds with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 150 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB2,998,202,000, net of the relevant expenses of issuance of RMB1,798,000.

Note 7: On September 2023, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,466,000, net of the relevant expenses of issuance of RMB4,534,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other equity instruments (continued)

Note 8: On October 2022, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third, the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,372,000, net of the relevant expenses of issuance of RMB4,628,000.

Note 9: On August 2021, the Company issued medium-term notes with an aggregate principal amount of RMB2,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,994,120,000, net of the relevant expenses of issuance of RMB5,880,000.

Note 10: On November 2019, the Company issued medium-term notes with an aggregate principal amount of RMB1,500,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,495,643,000, net of the relevant expenses of issuance of RMB4,357,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Capital reserve

For the six months ended 30 June 2024:

RMB'000

Item	1 January 2024	Increase (unaudited)	Decrease (unaudited)	30 June 2024 (unaudited)
Share premium	48,848,207	66,375	384,242	48,530,340
Relocation compensation granted by government	160,961	–	–	160,961
Others	(161,995)	–	–	(161,995)
Total	48,847,173	66,375	384,242	48,529,306

2023:

RMB'000

Item	1 January 2023	Increase	Decrease	31 December 2023
Share premium	48,896,736	49,639	98,168	48,848,207
Relocation compensation granted by government	160,961	–	–	160,961
Others	(150,641)	–	11,354	(161,995)
Total	48,907,056	49,639	109,522	48,847,173

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other comprehensive income

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position:

RMB'000

Item	1 January 2023	Increase/ (decrease)	Less: Other comprehensive income carried forward to retained earnings	Less: Other comprehensive income carried forward to profit or loss	Less: Other comprehensive income carried forward to retained earnings				
					1 January 2024	Increase/ (decrease) (unaudited)	Less: Other comprehensive income carried forward to retained earnings (unaudited)	Less: Other comprehensive income carried forward to profit or loss (unaudited)	30 June 2024 (unaudited)
Changes in fair value of other equity instrument investments	725,500	(53,594)	57,749	-	614,157	74,671	-	-	688,828
Effect of deferred tax from changes in fair value of other equity instrument investments	(178,890)	11,756	-	-	(167,134)	(24,783)	-	-	(191,917)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	47,176	192,843	-	-	240,019	2,320	-	-	242,339
Changes in fair value of other debt investments and effect of deferred tax from changes in fair value of other debt investments	(8,163)	3,872	-	(12,371)	8,080	1,024	-	8,675	429
Changes in fair value of receivables at FVTOCI and effect of deferred tax from changes in fair value of receivables at FVTOCI	(7,327)	5,458	-	-	(1,869)	(3,519)	-	-	(5,388)
Exchange differences on translation of foreign operations	(1,451,933)	191,747	-	-	(1,260,186)	(104,731)	-	-	(1,364,917)
Others	54,498	(878)	154,181	-	(100,561)	-	(28,380)	-	(72,181)
Total	(819,139)	351,204	211,930	(12,371)	(667,494)	(55,018)	(28,380)	8,675	(702,807)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other comprehensive income (continued)

Other comprehensive income in the statement of profit or loss:

For the six months ended 30 June 2024 (unaudited):

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	116,935	24,783	49,888	42,264
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	2,320	–	2,320	–
Changes in fair value of other debt investments	(7,432)	(1,858)	(7,651)	2,077
Changes in fair value of receivables at FVTOCI	(5,565)	(713)	(3,519)	(1,333)
Exchange differences on translation of foreign operations	(87,538)	–	(104,731)	17,193
Subtotal	18,720	22,212	(63,693)	60,201
Less: Other comprehensive income carried forward to retained earnings	(28,380)	–	(28,380)	–
Total	47,100	22,212	(35,313)	60,201

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Other comprehensive income (continued)

Other comprehensive income in the statement of profit or loss: (continued)

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(160,464)	(24,549)	(94,047)	(41,868)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	507,097	–	507,097	–
Changes in fair value of other debt investments	14,001	3,500	5,946	4,555
Changes in fair value of receivables at FVTOCI	3,387	632	1,964	791
Exchange differences on translation of foreign operations	622,381	–	569,363	53,018
Total	986,402	(20,417)	990,323	16,496

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Special reserve

The Ministry of Finance and Ministry of Emergency Management revised the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* (Cai Zi [2022] No. 136) on 21 November 2022, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects for construction projects which have completed the bidding and signed the contracts; and provided for the safety production expenses at 1.5%, 2.5% and 3% of the cost of construction projects for the remaining construction projects, and utilised the expenses. Further details are stated in Note III. 31.

45. Surplus reserve

For the six months ended 30 June 2024:

RMB'000

Item	1 January 2024	Increase (unaudited)	30 June 2024 (unaudited)
Statutory surplus reserve (Note)	6,789,771	–	6,789,771

2023:

RMB'000

Item	1 January 2023	Increase	31 December 2023
Statutory surplus reserve (Note)	6,789,771	–	6,789,771

Note: In accordance with the Company Law and the Company's articles of association, the Company appropriated 10% of the net profit to the surplus reserve, which is limited to 50% of the Company's registered capital. The accumulated amount of the statutory surplus reserve reached 50% of the Company's registered capital at the end of 2021, thus additional appropriation would not be needed.

The Company and certain of its subsidiaries are authorised to allocate the discretionary surplus reserve from profit after tax after the allocation of the statutory reserve. Upon the approval of the board, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Retained earnings

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	2023
Retained earnings at the end of the previous year	181,825,095	162,067,076
Changes in accounting policies	–	(85,944)
Retained earnings at the beginning of the period/year	181,825,095	161,981,132
Net profit attributable to owners of the Company	11,902,158	26,096,971
Less: Appropriation to statutory surplus reserve	–	–
Cash dividend declared for ordinary shares (<i>Note 1</i>)	4,752,840	3,802,272
Interest distributed to other equity instruments holders (<i>Note 2</i>)	1,210,128	2,547,999
Others	(28,380)	97,263
Retained earnings at the end of the period/year	187,735,905	181,825,095

Note 1: In accordance with the resolution at the 2023 annual general meeting of shareholders on 20 June 2024, the Company declared a cash dividend for the year ended 31 December 2023 of RMB0.35 per share (2023: RMB0.28 per share), which amounted to RMB4,752,840,000 (2023: RMB3,802,272,000) based on 13,579,541,500 ordinary shares in issue. The above dividends have been paid after the general meeting of shareholders.

Note 2: For the six months ended 30 June 2024, the Company accrued interest of other equity instruments holders amounting to RMB1,210,128,000 (2023: RMB2,547,999,000).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Revenue and cost of sales

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)		For the six months ended 30 June 2023 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	511,971,764	465,827,777	536,902,493	489,769,188
Other operating revenue	4,164,954	3,242,464	4,157,498	3,102,109
Total	516,136,718	469,070,241	541,059,991	492,871,297

(1) Disaggregation of revenue by industry/segment is as follows:

RMB'000

Sector	For the six months ended 30 June 2024 (unaudited)		For the six months ended 30 June 2023 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Construction operations	444,519,432	410,472,494	473,683,965	437,746,121
Real estate development operations	31,547,625	27,938,827	21,411,451	18,772,562
Manufacturing operations	8,982,834	6,454,602	10,630,897	7,698,129
Plan, design and consultancy operations	7,985,002	4,595,892	8,358,836	4,951,796
Other business operations	23,101,825	19,608,426	26,974,842	23,702,689
Total	516,136,718	469,070,241	541,059,991	492,871,297

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Revenue and cost of sales (continued)

(2) Disaggregation of revenue by point in time of revenue recognition (unaudited):

RMB'000

	Construction operations	Real estate development operations	Manufacturing operations	Plan, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
Over time	444,519,432	-	-	6,542,194	3,657,706	454,719,332
A point in time	-	31,461,375	8,684,801	1,442,808	18,885,691	60,474,675
Revenue arising from leases	-	86,250	298,033	-	558,428	942,711
Total	444,519,432	31,547,625	8,982,834	7,985,002	23,101,825	516,136,718

- (3) The construction services provided by the Group are mainly identified as single performance obligation and met the criteria of performance obligation performed over time. As at 30 June 2024, for the construction services in progress, the transaction prices allocated to their unsatisfied (including partially unsatisfied) performance obligations are based on their performance progress over the relevant construction contract periods and would be recognised as revenue based on their performance progress in future construction contract periods.

48. Taxes and surcharges

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
CCT	360,590	382,093
Stamp duty	340,372	357,678
Property tax	179,171	155,572
Others	681,535	617,285
Total	1,561,668	1,512,628

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Selling and distribution expenses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Employee compensation costs	1,387,267	1,641,195
Advertising and publicity expenses	919,512	1,068,609
Others	657,324	607,123
Total	2,964,103	3,316,927

50. General and administrative expenses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Employee compensation costs	7,301,290	7,632,367
Office, travelling and transportation expenses	536,728	562,788
Depreciation expenses of fixed assets	572,456	480,535
Others	1,824,676	1,860,947
Total	10,235,150	10,536,637

51. Research and development expenses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Employee compensation costs and material costs	8,610,730	8,293,309

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Finance costs

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Interest expenses	7,334,354	6,533,922
Less: Interest income	1,683,522	2,051,357
Less: Interest capitalised	3,132,555	3,405,983
Exchange gains	(558,092)	(561,392)
Bank charges and others	998,307	1,082,979
Total	2,958,492	1,598,169

The amount of capitalised interest had been included in the balances of construction in progress (Note V. 20), intangible assets (Note V. 22) and properties under development (Note V. 8 (1)).

53. Impairment losses on assets

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Losses from impairment of contract assets	(427,263)	(559,096)
Losses from decline in value of inventories	(130,774)	(67,339)
Others	(136)	(9,805)
Total	(558,173)	(636,240)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Impairment of credit losses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Losses from impairment of receivables	(1,695,259)	(1,306,467)
Losses from impairment of loans to customers	(8,360)	(7,840)
Total	(1,703,619)	(1,314,307)

55. Investment losses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Share of (losses)/profits of long-term equity investments under the equity method	(504,647)	203,817
Investment income/(losses) from disposal of long-term equity investments	2,522	(258)
Losses from derecognition of financial assets measured at amortised cost	(878,391)	(2,504,301)
Investment income from holding other equity instrument investments	44,254	45,791
Investment income from holding and disposal of held-for-trading financial assets and other financial assets	206,768	109,353
Investment income from holding debt investments	84,679	247,989
Others	91,518	83,163
Total	(953,297)	(1,814,446)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Non-operating income

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)	Non-recurring profit or loss of the period (unaudited)
Government grants	27,786	41,837	27,786
Approved unpayable balances	189,166	115,232	189,166
Gains on compensation, penalties and fines	187,361	146,471	187,361
Gains on retirement of non-current assets	17,840	22,413	17,840
Others	61,613	123,228	61,613
Total	483,766	449,181	483,766

Government grants credited to profit or loss for the period are listed as follows:

RMB'000

Nature	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)	Related to assets/ income
Enterprise development funds	62,342	175,196	Related to income
Refund of taxes	18,267	49,520	Related to income
Others	139,551	91,878	Related to assets/ income
Total	220,160	316,594	—
Including: Other income	192,374	274,757	—
Non-operating income	27,786	41,837	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Non-operating expenses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)	Non-recurring profit or loss of the period (unaudited)
Loss on compensation, penalties and fines	243,394	201,520	243,394
Loss on retirement of non-current assets	40,021	59,505	40,021
Donations	12,273	12,957	12,273
Others	26,143	25,844	26,143
Total	321,831	299,826	321,831

58. Costs and expenses classified by nature

Supplementary information of the Group's costs of sales, selling and distribution expenses, general and administrative expenses, research and development expenses categorised by nature is listed as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Cost of services rendered	379,479,673	407,948,581
Cost of goods sold	50,385,710	47,514,363
Employee benefits (Note V. 31)	40,013,386	39,384,408
Depreciation expenses on fixed assets (Note V. 19)	9,062,267	8,098,680
Depreciation expenses on right-of-use assets (Note V. 21)	1,113,242	1,079,588
Amortisation expenses on intangible assets (Note V. 22)	834,581	792,488
Depreciation expenses on investment properties (Note V. 18)	184,422	163,596

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Income tax expenses

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Current tax expenses – Mainland China	3,272,193	3,617,348
Deferred tax expenses	(369,415)	(390,700)
Total	2,902,778	3,226,648

A reconciliation of the income tax expense applicable to profit before tax is listed as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Profit before tax	17,861,036	19,718,226
Income tax at the statutory income tax rate of 25%	4,465,259	4,929,557
Tax effect of preferential tax rates for some subsidiaries	(1,169,626)	(1,264,655)
Tax effect of share of profits and losses of joint ventures and associates	126,162	(50,954)
Effect of non-taxable income	(103,524)	(93,072)
Effect of non-deductible expenses	124,401	162,970
Effect of utilisation of deductible tax losses previously not recognised	(219,441)	(160,819)
Effect of utilisation of deductible temporary differences previously not recognised	(85,696)	(34,144)
Tax preference for qualifying research and development expenses	(678,940)	(635,512)
Effects of deductible losses as deferred tax assets not recognised in the current period	626,189	685,298
Deductible temporary differences not recognised as deferred tax assets	226,069	154,405
Adjustments in respect of current income tax of previous periods	(106,446)	(136,938)
Interest on perpetual bonds deductible before tax	(209,118)	(282,942)
Others	(92,511)	(46,546)
Income tax expense at the Group's effective tax rate	2,902,778	3,226,648

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Income tax expenses (continued)

The income tax of the Group which shall be paid in Chinese mainland is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other regions is calculated at the statutory tax rate according to existing laws, interpretations and practices of the country or jurisdiction in which the Group operates.

60. Earnings per share

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the period.

Item	RMB'000	
	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Earnings		
Net profit attributable to shareholders of the Company	11,902,158	13,648,610
Including: profit or loss from continuing operations	11,902,158	13,648,610
Less: attributable to holder of other equity instruments (Note V. 46)	1,210,128	1,254,088
Net profit attributable to ordinary shareholders	10,692,030	12,394,522
Shares		
Number of the outstanding ordinary shares of the Company	13,579,541,500	13,579,541,500
Basic earnings per share (RMB/share)	0.79	0.91
Diluted earnings per share (RMB/share)	0.79	0.91

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Notes to items in the statement of cash flows

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(1) Cash received from other operating activities:		
Amounts due from/to related parties	7,348,795	8,426,905
Income from sales of raw materials	1,152,595	1,213,780
Others	1,537,734	1,495,841
Total	10,039,124	11,136,526

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(2) Cash paid for other operating activities:		
Loans for cooperative development project	2,720,391	3,194,129
Advertising and publicity expenses	919,512	1,068,609
Office and travelling expenses	822,012	863,109
Advance payments	2,459,473	1,053,898
Others	5,708,808	4,324,982
Total	12,630,196	10,504,727

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(3) Cash paid for other financing activities:		
Cash paid from redemption of renewable corporate bonds and other equity instruments	11,844,778	–
Cash paid for lease liabilities	1,186,882	1,205,509
Others	389,279	45,229
Total	13,420,939	1,250,738

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Notes to items in the statement of cash flows (continued)

Changes in various liabilities arising from financing activities are as follows:

RMB'000

Item	1 January 2024	Increase (unaudited)		Decrease (unaudited)		30 June 2024 (unaudited)
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short-term loans	81,839,758	172,779,999	2,192,655	93,289,691	–	163,522,721
Long-term loans (including current portion of long-term loans)	197,826,997	64,248,962	16,901,965	40,061,356	–	238,916,568
Bonds payable (including current portion of bonds payable)	43,205,227	5,175,000	670,242	6,166,248	–	42,884,221
Lease liabilities (including current portion of lease liabilities)	6,186,880	–	1,703,172	1,186,882	212,808	6,490,362
Long-term payables (relating to financing)	2,760,324	1,158,500	22,980	353,827	–	3,587,977
Other payables (relating to financing)	3,893,940	3,350,896	67,878	67,878	3,186,210	4,058,626
Other payables (dividends payable)	1,137,603	–	8,471,511	2,828,112	–	6,781,002
Total	336,850,729	246,713,357	30,030,403	143,953,994	3,399,018	466,241,477

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Notes to items in the statement of cash flows (continued)

Significant activities and financial impacts that do not involve cash inflows and outflows in the current period but affect the financial position of the Company or may affect the cash flows of the Company in the future:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Increase in right-of-use assets	1,587,415	3,023,393
Total	1,587,415	3,023,393

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB'000

	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Reconciliation of net profit to cash flows generated from operating activities:		
Net profit	14,958,258	16,491,578
Add: Impairment losses on assets	558,173	636,240
Impairment of credit losses	1,703,619	1,314,307
Depreciation of fixed assets	9,062,267	8,098,680
Depreciation of right-of-use assets	1,113,242	1,079,588
Amortisation of intangible assets	834,581	792,488
Amortisation of investment properties	184,422	163,596
Amortisation of long-term prepayments	139,526	113,717
Gains from retirement and disposal of fixed assets, intangible assets and other long- term assets	(145,025)	(14,861)
Losses on fair value changes	278,239	12,516
Finance costs	3,700,261	2,281,810
Investment losses/(income)	166,424	(631,494)
Increase in deferred tax assets	(330,543)	(629,241)
(Decrease)/increase in deferred tax liabilities	(38,872)	238,541
Increase in inventories	(6,533,007)	(15,698,993)
Increase in contract assets	(11,136,572)	(23,677,089)
Increase in operating receivables	(58,793,026)	(32,310,581)
(Decrease)/increase in operating payables	(37,414,930)	22,664,552
Decrease/(increase) in the deposits with the central bank	16,680	(268,331)
Net cash flows used in operating activities	(81,676,283)	(19,342,977)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Supplementary information to the consolidated statement of cash flows (continued)

(1) Supplementary information to the statement of cash flows (continued)

Net changes in cash and cash equivalents:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Cash at the end of the period	141,003,964	155,736,574
Less: Opening balance of cash	150,866,988	140,774,045
Add: Closing balance of cash equivalents	3,760,404	1,522,305
Less: Opening balance of cash equivalents	1,770,789	3,741,447
Net (decrease)/increase in cash and cash equivalents	(7,873,409)	12,743,387

(2) Net cash received from acquisition of subsidiaries this period

Item	30 June 2024 (unaudited)
Cash and cash equivalents held by subsidiaries when control commences	183,312
Less: Cash and cash equivalents paid to acquire subsidiaries this period	120,000
Net cash received from acquisition of subsidiaries	63,312

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Supplementary information to the consolidated statement of cash flows (continued)

(3) Cash and cash equivalents

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Cash	141,003,964	150,866,988
Including: Cash on hand	65,336	66,019
Cash with banks/financial institutions without restriction	140,938,628	150,800,969
Cash equivalents	3,760,404	1,770,789
Closing balance of cash and cash equivalents	144,764,368	152,637,777

63. Assets with title restrictions

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023	Reason
Inventories	54,950,275	45,687,542	Mortgaged for loans
Intangible assets	60,371,105	44,838,636	Pledged for loans/ Mortgaged for loans
Other non-current assets	21,099,344	14,856,837	Pledged for loans
Cash and bank balances	12,659,492	13,060,657	Note
Construction in progress	459,386	3,030,237	Mortgaged for loans
Trade receivables	5,283,415	9,619,878	Pledged for loans
Fixed assets	3,294,561	2,955,270	Mortgaged for loans
Long-term receivables	5,691,267	5,435,799	Pledged for loans
Investment properties	124,496	–	Pledged for loans
Total	163,933,341	139,484,856	– –

Note: As at 30 June 2024, the Group held frozen deposits of RMB4,838,405,000 (31 December 2023: RMB4,922,015,000). The residual amount of RMB3,378,769,000 (31 December 2023: RMB3,679,644,000) was comprised of several kinds of deposits. CRCC Finance Company Limited placed RMB4,442,318,000 (31 December 2023: RMB4,458,998,000) in the central bank as statutory reserves.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Foreign currency monetary items

As at 30 June 2024 (unaudited):

RMB'000

Item	Closing balance of foreign currencies (‘000)	Exchange rate	Closing balance in RMB
Cash and bank balances			5,324,762
Including: U.S. Dollar	577,433	7.1268	4,115,253
Euro	49,796	7.6617	381,520
Others			827,989
Trade receivables			2,238,644
Including: U.S. Dollar	213,334	7.1268	1,520,387
Others			718,257
Other receivables			110,151
Including: U.S. Dollar	2,830	7.1268	20,167
Others			89,984
Trade payables			1,088,606
Including: U.S. Dollar	41,629	7.1268	296,683
Others			791,923
Other payables			73,831
Including: U.S. Dollar	2,929	7.1268	20,874
Others			52,957
Short-term loans			3,664,212
Including: U.S. Dollar	111,000	7.1268	791,075
Euro	375,000	7.6617	2,873,137
Long-term loans (including long-term loans due within one year)			680,083
Including: Euro	88,764	7.6617	680,083
Bonds payable (including current portion of bonds payable)			2,297,116
Including: Euro	299,818	7.6617	2,297,116

Note: The Group's main operating location is Mainland China and overseas market is spread in over 100 countries and regions. There is no individually material foreign operations, and the foreign operations determined the functional currency according to the currency of the principal economic environment in which they operate. The Company, the subsidiaries and the foreign operations determined the foreign currency monetary items mentioned above in accordance with their functional currencies respectively.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VI. CHANGES OF CONSOLIDATION SCOPE

1. Business combinations not involving enterprises under common control

For the six months ended 30 June 2024, the Group acquired several entities through business combination not under common control, including CRCC Yudongnan(ChongQing) Highway Co., Ltd and Sichuan Langying Highway Co., Ltd and etc. and they were included in the consolidation scope of the Group. The individual amount of these subsidiaries' assets, liabilities, operating income etc. was not material at the acquisition date. Upon the completion of transaction, the Group's total assets increased of RMB12,094,149,000 and the Group's total liabilities increased of RMB11,101,628,000.

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

(1) Particulars of the principal subsidiaries of the Company are listed as follows:

Subsidiaries acquired through establishment or investment

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Civil Engineering Construction Corporation	Beijing	Beijing	Construction	3,000,000	100.00	-
China Railway 11th Bureau Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction	6,162,382	81.62	-
China Railway 12th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	5,060,677	100.00	-
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,200,000	100.00	-
China Railway 14th Bureau Group Co., Ltd.	Jinan, Shandong	Jinan, Shandong	Construction	3,391,534	79.02	-
China Railway 15th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	3,000,000	100.00	-
China Railway 16th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	4,400,000	100.00	-
China Railway 17th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	3,021,226	100.00	-
China Railway 18th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,523,404	80.30	-
China Railway 19th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	5,080,000	100.00	-
China Railway 20th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	3,385,831	70.41	-
China Railway 21st Bureau Group Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Construction	2,038,000	100.00	-
China Railway 22nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	2,000,000	100.00	-
China Railway 23rd Bureau Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Construction	2,000,000	100.00	-
China Railway 24th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	2,000,000	100.00	-
China Railway 25th Bureau Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction	2,000,000	100.00	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(1) Particulars of the principal subsidiaries of the Company are listed as follows: (continued)

Subsidiaries acquired through establishment or investment (continued)

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Railway First Survey and Design Institute Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Plan, design and consultancy	1,030,000	100.00	–
China Railway SIYUAN Survey and Design Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Plan, design and consultancy	1,052,500	100.00	–
China Railway Construction Group Co., Ltd.	Beijing	Beijing	Construction	3,502,971	85.64	–
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	3,800,000	100.00	–
China Railway Material Group Co., Ltd.	Beijing	Beijing	Purchase and sales of goods and materials	3,009,360	100.00	–
CRCC High-Tech Equipment Corporation Limited	Kunming, Yunnan	Kunming, Yunnan	Manufacturing operations	1,519,884	63.70	1.30
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development and operation	7,000,000	100.00	–
China Railway Construction Heavy Industry Corporation Limited	Changsha, Hunan	Changsha, Hunan	Manufacturing operations	5,333,497	71.93	0.36
China Railway Construction Investment Group Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Project investment, Construction	12,067,086	87.34	–
CRCC Finance Company Limited	Beijing	Beijing	Financial Services	9,000,000	94.00	–
China Railway Construction Corporation (International) Limited	Beijing	Beijing	Construction	3,012,500	100.00	–
CRCC Capital Holdings Group Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Financial Services	9,000,000	100.00	–
China Railway Urban Construction Group Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction	2,789,839	71.69	–
CRCC Kunlun Investment Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Project investment, Construction	5,087,166	70.77	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:

As at 30 June 2024 (unaudited):

RMB'000

Subsidiary	Shareholding proportion (%)	Net profit or loss attributable to non-controlling interests	Dividends distribute to non-controlling shareholders	Accumulated balances of non-controlling interests at the reporting date
China Railway Construction Investment Group Co., Ltd. (Note)	12.66	579,164	419,463	19,282,868
CRCC Kunlun Investment Group Co., Ltd.	29.23	148,260	348,650	8,816,765
China Railway 14th Bureau Group Co., Ltd.	20.98	185,476	247,998	5,784,099
China Railway 18th Bureau Group Co., Ltd.	19.70	116,518	249,593	4,156,341
China Railway Construction Heavy Industry Co., Ltd.	27.71	200,491	134,751	4,667,576

Note: The mentioned above subsidiaries issued financial instruments, such as outstanding renewable corporate bonds and medium-term notes, which are recognised in other equity instruments and presented under the line item of “non-controlling interests” in the consolidated balance sheet of the Group. The shareholding proportion of minority shareholders of these subsidiaries represents the proportion of equity interests held by minority shareholders other than holders of other equity instruments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (continued)

RMB'000

Subsidiary	30 June 2024 (unaudited)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	36,277,833	153,132,212	189,410,045	61,794,373	86,864,119	148,658,492
CRCC Kunlun Investment Group Co., Ltd.	25,472,317	75,784,906	101,257,223	49,475,515	25,045,369	74,520,884
China Railway 14th Bureau Group Co., Ltd.	60,119,946	35,518,731	95,638,677	75,538,074	5,249,282	80,787,356
China Railway 18th Bureau Group Co., Ltd.	48,518,934	21,885,832	70,404,766	50,862,969	8,158,454	59,021,423
China Railway Construction Heavy Industry Co., Ltd.	17,315,032	10,363,488	27,678,520	9,177,922	1,707,234	10,885,156

RMB'000

Subsidiary	31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	27,466,494	145,595,839	173,062,333	57,446,884	75,721,101	133,167,985
CRCC Kunlun Investment Group Co., Ltd.	26,720,774	59,673,231	86,394,005	46,125,857	15,070,541	61,196,398
China Railway 14th Bureau Group Co., Ltd.	60,527,532	33,020,417	93,547,949	72,369,906	5,124,224	77,494,130
China Railway 18th Bureau Group Co., Ltd.	40,319,471	20,263,047	60,582,518	42,225,036	5,714,936	47,939,972
China Railway Construction Heavy Industry Co., Ltd.	14,897,761	10,543,232	25,440,993	7,750,542	1,135,651	8,886,193

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

- (2) The subsidiaries with significant non-controlling interests are listed as follows (continued):

RMB'000

Subsidiary	For the six months ended 30 June 2024 (unaudited)			
	Revenue	Net profit	Total comprehensive income	Net cash flows generated from operating activities
China Railway Construction Investment Group Co., Ltd.	18,167,060	1,352,336	1,383,070	1,046,506
CRCC Kunlun Investment Group Co., Ltd.	18,830,935	1,074,294	1,074,294	876,532
China Railway 14th Bureau Group Co., Ltd.	41,943,879	710,654	710,654	(6,519,577)
China Railway 18th Bureau Group Co., Ltd.	35,964,359	602,898	605,788	(5,687,262)
China Railway Construction Heavy Industry Co., Ltd.	4,803,149	723,078	718,579	351,887

RMB'000

Subsidiary	For the six months ended 30 June 2023 (unaudited)			
	Revenue	Net profit	Total comprehensive income	Net cash flows generated from operating activities
China Railway Construction Investment Group Co., Ltd.	18,754,934	1,641,087	1,612,294	942,342
CRCC Kunlun Investment Group Co., Ltd.	24,618,618	1,561,276	1,561,276	2,022,556
China Railway 14th Bureau Group Co., Ltd.	43,166,649	649,485	649,485	54,116
China Railway 18th Bureau Group Co., Ltd.	39,080,840	701,521	711,505	(1,477,109)
China Railway Construction Heavy Industry Co., Ltd.	5,563,802	1,025,555	1,028,918	455,822

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

- (3) As at 30 June 2024, the information of financial instruments involved in equity, such as the renewable corporate bonds, medium-term notes publicly and perpetual bonds issued by the several subsidiaries, is listed as follows:

RMB'000

Subsidiary	Amount (unaudited)
China Railway Construction Investment Group Co., Ltd.	9,092,100
China Railway 11th Bureau Group Co., Ltd.	2,496,500

As at 30 June 2024, the information of financial liabilities, such as corporate bonds and medium term notes publicly issued by several subsidiaries is detailed in Notes V. 37.

2. Equity in joint ventures and associates

Principal joint ventures and associates

RMB'000

Name of principal joint ventures and associates	Principal place of business	Place of registration	Principal activities	Shareholding proportion %		Measurement of joint ventures and associates
				Direct	Indirect	
Sichuan Chengmian Cangba Expressway Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Highway Project Construction & Management	39.5	–	Equity method
Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Investment in Rail Transit Construction	54.4	–	Equity method
CRCC Financial Leasing Co., Ltd.	Tianjin	Tianjin	Finance lease	50	–	Equity method
Hangqu Railway Co., Ltd.	Quzhou, Zhejiang	Quzhou, Zhejiang	Railway Project Investment & Management	46	–	Equity method

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (continued)

Major financial information of principal joint ventures

RMB'000

	30 June 2024 (unaudited)/For the Six months ended 30 June 2024 (unaudited)		31 December 2023/For the Six months ended 30 June 2023 (unaudited)	
	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Sichuan Chengmian Cangba Expressway Co., Ltd.	Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.
Current assets	2,179,990	5,157,969	3,251,815	4,980,066
Including: Cash and cash equivalents	770,518	522,866	654,972	947,193
Non-current assets	47,740,702	18,211,438	42,210,877	18,654,809
Total assets	49,920,692	23,369,407	45,462,692	23,634,875
Current liabilities	4,037,321	3,499,287	1,111,391	3,621,965
Non-current liabilities	34,640,836	13,016,791	33,964,750	13,161,977
Total liabilities	38,678,157	16,516,078	35,076,141	16,783,942
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the company	11,242,535	6,853,329	10,386,551	6,850,933
The net assets multiplied by the shareholding proportion	4,440,801	3,728,211	4,102,688	3,726,908
Adjustment event				
— Others	(52,307)	178,680	(10)	178,680
Carrying amount of investments in the joint ventures attributable to the Group	4,388,494	3,906,891	4,102,678	3,905,588
Revenue	567	159,736	–	160,715
Finance costs	(619)	(163,915)	–	(159,545)
Income tax expenses	115	(25,251)	–	(378)
Net (loss) profit	(18,901)	2,396	–	167,478
Other comprehensive income	–	–	–	–
Total comprehensive income	(18,901)	2,396	–	167,478
Dividends from joint ventures for the period	–	–	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (continued)

Major financial information of principal associates

RMB'000

	30 June 2024 (unaudited)/For the Six months ended 30 June 2024 (unaudited)		31 December 2023/For the Six months ended 30 June 2023 (unaudited)	
	CRCC Financial Leasing Co., Ltd.	Hangqu Railway Co., Ltd.	CRCC Financial Leasing Co., Ltd.	Hangqu Railway Co., Ltd.
Total assets	37,977,109	17,803,192	43,017,472	16,353,581
Total liabilities	30,966,258	12,106,539	36,192,424	10,929,928
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the company	7,010,851	5,696,653	6,825,048	5,423,653
The net assets multiplied by the shareholding proportion	3,505,426	2,620,460	3,412,524	2,494,880
Adjustment event				
— Unrealised profits of intra-group transactions	(281,393)	–	(251,416)	–
— Others	2,915	76,903	2,404	93,983
Carrying amount of investments in the associates attributable to the Group	3,226,948	2,697,363	3,163,512	2,588,863
Revenue	1,700,615	–	1,846,108	–
Finance costs	618	–	902	–
Income tax expenses	62,275	–	76,836	–
Net profit	186,826	–	230,508	–
Other comprehensive income	–	–	–	–
Total comprehensive income	186,826	–	230,508	–
Dividends from associates for the period	–	–	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (continued)

The aggregate financial information of the individually insignificant joint ventures:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Shares of net profit of the joint ventures attributable to the Group	(742,359)	(902,607)
Shares of other comprehensive income of the joint ventures attributable to the Group	(56,177)	90,678
Shares of total comprehensive income of the joint ventures attributable to the Group	(798,536)	(811,929)
Carrying amount of investments in the joint ventures attributable to the Group	57,188,831	56,903,672

The aggregate financial information of the individually insignificant associates:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Shares of net profit of the associates attributable to the Group	150,462	1,180,073
Shares of other comprehensive income of the associates attributable to the Group	58,497	102,165
Shares of total comprehensive income of the associates attributable to the Group	208,959	1,282,238
Carrying amount of investments in the associates attributable to the Group	83,373,355	78,614,044

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

3. *Equity in structured entities that have not been merged into the consolidated financial statements*

As at 30 June 2024, the scale of major structured entities that the Group participated in and that were not included in the consolidated financial statements totalled approximately RMB43,918,190,000 (31 December 2023: RMB46,245,930,000). Among them, the subscription amount of the Group was approximately RMB14,693,161,000 (31 December 2023: RMB14,284,056,000) and that of other investors was approximately RMB29,225,029,000 (31 December 2023: RMB31,961,874,000). The Group has no control over this category of structured entity, so the structured entities have not been merged into the consolidated financial statements. As at 30 June 2024, the actual subscription amount paid by the Group was approximately RMB7,580,962,000 (31 December 2023: RMB6,181,649,000), which was accounted in other non-current financial assets. The Group's largest risk exposure in these structured entities is the amount of capital contributed by the Group as of the balance sheet date. The Group has no obligation or intention to provide financial support to the structured entities.

As at 30 June 2024, the Group's cumulative issuance amount of asset-backed securities was RMB85,311,088,000 (31 December 2023: RMB89,034,000,000). The subordinated tranche of the asset-backed securities was RMB4,441,800,000 (31 December 2023: RMB4,449,800,000). On 30 June 2024, the subordinated tranche of asset-backed securities held by the Group was RMB1,035,650,000 (31 December 2023: RMB1,036,650,000), of which RMB341,850,000 (31 December 2023: RMB230,850,000) was accounted in held-for-trading financial assets and RMB693,800,000 (31 December 2023: RMB805,800,000) was accounted in other non-current financial assets. As for asset-backed securities issued by the Group, it promises to, upon issuance of some asset-backed securities, provide paid temporary liquidity support for the principal of priority asset-backed securities and the difference between the expected returns and the distributable funds for each period of the asset-backed securities special plan, but the Group did not provide such support for some asset-backed securities upon their issuance. As at 30 June 2024, asset-backed securities had not actually triggered this liquidity support, and the Group had never provided such liquidity support. The Group assesses that the possibility of triggering liquidity support in the future is minimal.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

1. Financial instruments by category

The carrying amount of each category of financial instruments at the balance sheet date are as follows:

30 June 2024 (unaudited):

Financial assets

RMB'000

Item	Classified as financial assets at FVTOCI	Designated as financial assets at FVTOCI	Financial assets at FVTPL	Financial assets measured at amortised cost	Total
Bills receivable	–	–	–	1,525,080	1,525,080
Trade receivables	–	–	–	180,180,279	180,180,279
Receivables at FVTOCI	1,718,133	–	–	–	1,718,133
Loans and advances to customers	–	–	–	1,725,125	1,725,125
Other receivables (excluding petty cash)	–	–	–	64,081,791	64,081,791
Other current assets	3,951,571	–	–	7,019,581	10,971,152
Long-term receivables	–	–	–	120,717,474	120,717,474
Cash and bank balances	–	–	–	158,706,502	158,706,502
Held-for-trading financial assets	–	–	1,561,016	–	1,561,016
Debt investments	–	–	–	5,790,516	5,790,516
Other equity instrument investments	–	12,929,050	–	–	12,929,050
Other non-current financial assets	–	–	11,669,171	–	11,669,171
Current portion of non-current assets	–	–	–	11,392,331	11,392,331
Total	5,669,704	12,929,050	13,230,187	551,138,679	582,967,620

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (continued)

30 June 2024 (unaudited): (continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	163,522,721	163,522,721
Due to customers	1,276,334	1,276,334
Bills payable	41,060,153	41,060,153
Trade payables	469,938,518	469,938,518
Other payables	133,151,039	133,151,039
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	61,982,523	61,982,523
Other current liabilities (continuing involvement in liabilities)	340,850	340,850
Long-term loans	201,419,722	201,419,722
Bonds payable	26,665,330	26,665,330
Long-term payables (excluding special payables)	41,998,799	41,998,799
Other non-current liabilities (continuing involvement in liabilities)	686,800	686,800
Total	1,142,042,789	1,142,042,789

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (continued)

31 December 2023:

Financial assets

RMB'000

Item	Classified as financial assets at FVTOCI	Designated as financial assets at FVTOCI	Financial assets at FVTPL	Financial assets measured at amortised cost	Total
Bills receivable	–	–	–	3,229,041	3,229,041
Trade receivables	–	–	–	155,809,067	155,809,067
Receivables at FVTOCI	2,723,520	–	–	–	2,723,520
Loans and advances to customers	–	–	–	1,686,305	1,686,305
Other receivables (excluding petty cash)	–	–	–	56,390,029	56,390,029
Other current assets	–	–	–	3,025,640	3,025,640
Long-term receivables	–	–	–	109,859,078	109,859,078
Cash and bank balances	–	–	–	166,957,837	166,957,837
Held-for-trading financial assets	–	–	1,629,785	–	1,629,785
Debt investments	–	–	–	6,016,176	6,016,176
Other debt investments	5,115,845	–	–	–	5,115,845
Other equity instrument investments	–	12,575,571	–	–	12,575,571
Other non-current financial assets	–	–	10,287,149	–	10,287,149
Current portion of non-current assets	6,963,058	–	–	15,035,191	21,998,249
Total	14,802,423	12,575,571	11,916,934	518,008,364	557,303,292

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (continued)

The carrying amount of each category of financial instruments at the balance sheet date are as follows: (continued)

31 December 2023: (continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	81,839,758	81,839,758
Due to customers	1,356,691	1,356,691
Bills payable	53,461,242	53,461,242
Trade payables	491,567,214	491,567,214
Other payables	106,058,137	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	52,111,844	52,111,844
Other current liabilities (continuing involvement in liabilities)	230,850	230,850
Long-term loans	165,621,478	165,621,478
Bonds payable	31,031,549	31,031,549
Long-term payables (excluding special payables)	41,052,575	41,052,575
Other non-current liabilities (continuing involvement in liabilities)	798,800	798,800
Total	1,025,130,138	1,025,130,138

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. *Transfer of financial assets*

Transferred financial assets that are derecognised in their entirety but continuously involved

As at 30 June 2024, the Group had endorsed and discounted bank acceptance bills which are not yet due amounting to RMB1,709,672,000 (31 December 2023: RMB2,272,750,000). As at 30 June 2024, for bills within 6 months, if acceptance banks dishonoured the bills, endorsees shall have the right to turn to the Group for recourse according to the Law of Bill. The Group considered the risks and rewards of the bills had been transferred. Therefore, the Group had derecognised the related bills receivable and trade payables that had been settled by the bills. The undiscounted cash flows and maximum losses of continuing involvement and repurchase equalled to the book value of the bills. The Group considered the fair value of continuing involvement to be not significant.

For the six months ended 30 June 2024, the Group did not recognise any profit or loss at the date of transfer. The Group had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognised. The endorsement and discount happens evenly throughout the year.

Transferred financial assets that are not derecognised in their entirety

For the six months ended 30 June 2024, the Group sold underlying assets to the assets-backed specific plan which set up by the financial institute who are also the managers of the assets-backed specific plan. The managers represented the assets-backed specific plan to issue senior assets-backed securities and subordinate assets-backed securities to investors. The Group holds some portion of the subordinate assets-backed securities. Meanwhile, the Group acts as a receivables service provider to provide management services associated with receivables and their collection, contracts revision and other services to the assets-backed specific plan.

As the Group has restriction in the ability of guiding the operations of assets-backed specific plan, resulting in the degree which the Group using substantial rights to influence to obtain variable returns limited, the Group does not need to consolidate the assets-backed specific plan. Meanwhile, the Group has neither transferred nor retained substantially all the risks and rewards of the underlying assets ownership, and it retained control of the underlying assets transferred, the Group recognised the asset and associated liability to the extent of its continuing involvement in the transferred asset.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Financial instrument risks*

The Group's major financial instruments include loans, due to customers, bonds, and other equity instruments, etc. The purpose of these financial instruments is to support daily operations of the Group. The Group also has various financial assets and liabilities arising from operation, such as cash and bank balances, bills receivable, trade receivables, receivables at FVTOCI, other receivables, long-term receivables, bills payable, trade payables, other payables and long-term payables.

The major risks from the Group's financial instruments are credit risk, liquidity risk and market risk. The management will hold meetings at least four times a year to analyse and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from management. Generally, the Group introduces conservative strategies in risk management. As these risks for the Group are kept at a low level, the Group does not use any derivative instrument and other instruments to hedge these risks in the whole year.

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the balances and collection of trade receivables, contract assets and long-term receivables are monitored on an ongoing basis to ensure that the Group's exposure to credit loss is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group. Besides, the Group reviews collections of financial assets at each balance sheet date to ensure sufficient provisions for estimated credit loss have been made for relevant financial assets.

Other financial assets of the Group include cash and bank balances, bills receivable, receivables at FVTOCI, other receivables, debt investments, other debt investments and loans and advances to customers. Credit risk of such financial assets is resulted from defaults of counterparties. The largest risk exposure equals to the carrying amount of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in Note XI. 3 to the financial statements. Substantially all of the Group's cash and bank balances are held in major financial institutions located in the PRC, which management believes are of high credit quality. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limit the amount of credit exposure to any single financial institution.

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Financial instrument risks (continued)*

Credit risk (continued)

The Group adopts the provision matrix based on portfolio to assess the credit losses of trade receivables, except for trade receivables that are individually significant and credit-impaired. The Group's trade receivables involve a large number of customers. Customer type and aging information may reflect these customers' solvency in regard of such trade receivables. The Group's management classifies the trade receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on credit risk characteristics. The Group calculates the historical actual loss rate by different customer types and different aging periods based on historical data and, through regression analysis, determines the relationship between the historical actual loss rate and economic indicators, such as GDP growth, CPI. Based on the forecasted future relevant economic indicators, the Group estimates the credit loss rates. The Group's management classifies contract assets and long-term receivables into different portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers) based on their credit risk characteristics expect for contract assets or long-term receivables that are individually significant and credit-impaired. On the basis of the historical actual loss rate, the Group takes account of forward-looking information mentioned above and then determines the credit loss rates and provision matrix to evaluate ECL of contract assets and long-term receivables. Except for other receivables that are individually significant and their credit risk has increased significantly since initial recognition but not credit-impaired and that are individually significant and are credit impaired, the Group assesses them individually for credit losses, the Group classifies the other receivables into different portfolios (including related parties and other external units which are taken nature of amounts into comprehensive accounts) based on credit risk characteristics of different types of customers. The Group assesses the expected credit loss of other receivables based on historical actual loss rate and considering the expected loss rate and impairment matrix after adjusting above looking-forward information.

For trade receivables, contract assets and long-term receivables that are individually significant and credit-impaired, the Group made separate credit loss assessment on individual basis. Based on the credit-impaired evidence and forward-looking information, The Group determines the expected credit loss by the difference between carrying amounts of these financial assets and the present value discounted by the original effective interest rate of expected cash flows.

For other financial assets, the Group calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Credit risk (continued)

As at 30 June 2024, the credit risk exposure and ECL of trade receivables are disclosed as follows(unaudited):

RMB'000

Gross carrying amount	Not credit impaired	Credit impaired	Total
30 June 2024	166,478,296	32,391,031	198,869,327

Allowance for credit losses	Not credit impaired	Credit impaired	Total
1 January 2024	6,203,996	11,834,741	18,038,737
Transferred to credit-impaired	(384,270)	384,270	–
Provision for the period	935,035	1,032,521	1,967,556
Reversal for the period	(570,142)	(288,714)	(858,856)
Write-off for the period	–	(10,914)	(10,914)
Others	(119,553)	(327,922)	(447,475)
30 June 2024	6,065,066	12,623,982	18,689,048

The movements of impairment losses for contract assets for the six months ended 30 June 2024 are listed as follows (unaudited):

RMB'000

Gross carrying amount	Not credit impaired	Credit impaired	Total
30 June 2024	282,717,107	28,245,221	310,962,328

Provision for impairment of assets	Not credit impaired	Credit impaired	Total
1 January 2024	1,689,238	6,359,023	8,048,261
Transferred to credit-impaired	(23,134)	23,134	–
Provision for the period	380,752	439,954	820,706
Reversal for the period	(376,591)	(121,315)	(497,906)
Others	(4,408)	(201)	(4,609)
30 June 2024	1,665,857	6,700,595	8,366,452

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Credit risk (continued)

As at 30 June 2024, the credit risk exposure and ECL of long-term receivables (including current portion of long-term receivables) generated from transactions scoped in ASBE No. 14 are disclosed as follows (unaudited):

RMB'000

Gross carrying amount	Not credit impaired	Credit impaired	Total
30 June 2024	92,222,790	2,860,352	95,083,142

Allowance for credit losses	Not credit impaired	Credit impaired	Total
1 January 2024	1,230,869	1,190,105	2,420,974
Provision for the period	125,668	205,292	330,960
Reversal for the period	(85,534)	(1,980)	(87,514)
Write-off for the period	–	(525,139)	(525,139)
Others	3,353	254,520	257,873
30 June 2024	1,274,356	1,122,798	2,397,154

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Credit risk (continued)

As at 30 June 2024, the credit risk exposure and ECL of debt investments are as follows (unaudited):

RMB'000

Gross carrying amount	Stage I 12-months ECL	Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	Total
30 June 2024	3,183,213	897,079	3,574,484	7,654,776

Allowance for credit losses	Stage I 12-months ECL	Stage II Lifetime ECL (Not credit impaired)	Stage III Lifetime ECL (Credit impaired)	Total
1 January 2024	19,179	39,933	1,783,922	1,843,034
Provision for the period	767	169	20,138	21,074
Reversal for the period	(727)	–	–	(727)
Others	(962)	–	–	(962)
30 June 2024	18,257	40,102	1,804,060	1,862,419

As at 30 June 2024, external financial guarantees and mortgages for real estate development operations provided by the Group amounted to RMB2,089,264,000 (31 December 2023: RMB2,446,537,000) and RMB22,299,847,000 (31 December 2023: RMB29,178,017,000) respectively. Details of financial guarantee contracts are set out in Note XI. 3. Management of the Group assessed overdue status of relevant borrowings, financial position of relevant debtor, and economic condition in the debtor's industry. Management is of the view that relevant credit risk of such part of financial guarantee contract had not increased significantly since initial recognition. Therefore, loss allowance for the Group's financial guarantee contracts were not determined based on the amount of lifetime ECL, but measured at the amount of the future 12-month ECL of the above financial guarantee contracts. For the six months ended 30 June 2024, the Group's assessment method and significant assumptions did not change. The Group had not recognised significant expected loss allowance for guarantees and mortgages based on management's assessment.

As the Group's major customers are PRC government agencies at the national, provincial and local levels and other state-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Financial instrument risks (continued)*

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit facility to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, on 30 June 2024, the Group already had banking facilities from several PRC banks.

The Group's policy is that not more than 75% of the borrowings shall mature in the following 12 months based on the carrying amount of borrowings reflected in the financial statements. As at 30 June 2024, the Group has 49.0% of loans and bonds payable that would expire within one year (As at 31 December 2023: 39.0%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities at the balance sheet date, based on the undiscounted contractual cash flows:

RMB'000

Item	30 June 2024 (unaudited):					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	166,162,279	-	-	-	166,162,279
Due to customers	1,276,334	-	-	-	-	1,276,334
Bills payable	-	41,060,153	-	-	-	41,060,153
Trade payables	-	469,938,518	-	-	-	469,938,518
Other payables	-	133,151,039	-	-	-	133,151,039
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	65,742,486	-	-	-	65,742,486
Other current liabilities	-	340,850	-	-	-	340,850
Long-term loans	-	6,433,564	59,918,002	93,428,393	83,324,576	243,104,535
Bonds payable	-	1,315,897	20,216,192	6,710,046	-	28,242,135
Long-term payables (excluding special payables)	-	-	24,687,849	13,131,771	5,433,678	43,253,298
Lease liabilities	-	-	1,672,869	1,856,401	2,164,143	5,693,413
Other non-current liabilities	-	-	195,000	491,800	-	686,800
Financial guarantees (Note XI. 3)(excluding the real estate mortgage guarantee)	2,089,264	-	-	-	-	2,089,264
Total	3,365,598	884,144,786	106,689,912	115,618,411	90,922,397	1,200,741,104

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Liquidity risk (continued)

RMB'000

Item	31 December 2023					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	–	82,899,052	–	–	–	82,899,052
Due to customers	1,356,691	–	–	–	–	1,356,691
Bills payable	–	53,461,242	–	–	–	53,461,242
Trade payables	–	491,567,214	–	–	–	491,567,214
Other payables	–	106,058,137	–	–	–	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	–	56,404,561	–	–	–	56,404,561
Other current liabilities	–	230,850	–	–	–	230,850
Long-term loans	–	5,664,418	48,080,043	79,218,292	67,519,403	200,482,156
Bonds payable	–	1,726,850	15,919,289	15,489,823	–	33,135,962
Long-term payables (excluding special payables)	–	–	23,719,420	13,602,279	5,145,559	42,467,258
Lease liabilities	–	–	1,606,486	1,747,335	2,296,868	5,650,689
Other non-current liabilities	–	–	–	798,800	–	798,800
Financial guarantees (Note XI. 3) (excluding the real estate mortgage guarantee)	2,446,537	–	–	–	–	2,446,537
Total	3,803,228	798,012,324	89,325,238	110,856,529	74,961,830	1,076,959,149

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing borrowings, cash and short-term deposits are stated at amortised cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Market risk (continued)

Interest rate risk (continued)

As at 30 June 2024, floating interest rate loans and fixed interest rate loans accounted for approximately 76.61% and 23.39% (31 December 2023: 81.19% and 18.81%) of the Group's borrowings respectively. Management would adjust the proportion of floating and fixed rate loans based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by 0.50% (For six months ended 30 June 2023: 0.25%), with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB219,530,000 in 30 June 2024 (For the six months ended 30 June 2023: RMB113,516,000), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2024 and the exposure to interest rate risk has been applied to those borrowings in existence at that date. The estimated 0.50% (31 December 2023: 0.50%) of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year from now until the end of the next annual reporting period.

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group had not entered into any hedging transactions as 30 June 2024 in order to reduce the Group's exposure to foreign currency risk in this regard (31 December 2023: Nil).

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange rates of the United States dollar, Euro and Saudi Riyal, with all other variables held constant, of the Group's net profit and shareholder's equity net of tax.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Market risk (continued)

Foreign currency risk (continued)

For the Six months ended 30 June, 2024 (unaudited):

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	5%	185,603	185,603
Decrease in the United States dollar rate	(5%)	(185,603)	(185,603)
Increase in the Euro rate	5%	(229,052)	(229,052)
Decrease in the Euro rate	(5%)	229,052	229,052
Increase in the Saudi Riyal rate	5%	(5,480)	(5,480)
Decrease in the Saudi Riyal rate	(5%)	5,480	5,480

For the Six months ended 30 June, 2023 (unaudited):

RMB'000

Item	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	5%	232,292	232,292
Decrease in the United States dollar rate	(5%)	(232,292)	(232,292)
Increase in the Euro rate	5%	(220,593)	(220,593)
Decrease in the Euro rate	(5%)	220,593	220,593
Increase in the Algerian dinar rate	10%	7,848	7,848
Decrease in the Algerian dinar rate	(10%)	(7,848)	(7,848)

The sensitivity analysis above has been determined assuming that the changes in foreign exchange rates had occurred as at 30 June 2024 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in foreign exchange rates over the year from now until the end of the next annual reporting period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximise the value of shareholders and other equity investors.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital for the six months ended 30 June 2024 and for the six months ended 30 June 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes all loans, due to customers, other current liabilities(continuing involvement in liabilities), bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding the current portion of long-term employee benefits payable and provisions) and other non-current liabilities(continuing involvement in liabilities) less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the balance sheet date are listed as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Short-term loans	163,522,721	81,839,758
Long-term loans	201,419,722	165,621,478
Due to customers	1,276,334	1,356,691
Bills payable	41,060,153	53,461,242
Trade payables	469,938,518	491,567,214
Other payables	133,151,039	106,058,137
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	64,461,210	54,218,317
Other current liabilities(continuing involvement in liabilities)	340,850	230,850
Bonds payable	26,665,330	31,031,549
Long-term payables (excluding special payables)	41,998,799	41,052,575
Lease liabilities	4,011,675	4,080,407
Other non-current liabilities(continuing involvement in liabilities)	686,800	798,800
Less: Cash and bank balances	158,706,502	166,957,837
Net debt	989,826,649	864,359,181
Attributable to shareholders' equity of the Company	316,594,267	309,837,517
Non-controlling interests	97,462,409	107,282,256
Total equity	414,056,676	417,119,773
Total equity and net debt	1,403,883,325	1,281,478,954
Gearing ratio	71%	67%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

RMB'000

30 June 2024	Inputs of fair value measurement (unaudited)			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	-	1,718,133	-	1,718,133
Held-for-trading financial assets	473,938	-	1,087,078	1,561,016
Other current assets	-	3,951,571	-	3,951,571
Other equity instrument investments	2,050,055	-	10,878,995	12,929,050
Other non-current financial assets	218,901	-	11,450,270	11,669,171
Sum of assets under continuous measurement of fair value	2,742,894	5,669,704	23,416,343	31,828,941

RMB'000

31 December 2023	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	-	2,723,520	-	2,723,520
Held-for-trading financial assets	467,563	-	1,162,222	1,629,785
Other debt investments	-	5,115,845	-	5,115,845
Current portion of other debt investments	-	6,963,058	-	6,963,058
Other equity instrument investments	1,974,362	-	10,601,209	12,575,571
Other non-current financial assets	169,604	-	10,117,545	10,287,149
Sum of assets under continuous measurement of fair value	2,611,529	14,802,423	21,880,976	39,294,928

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Assets and liabilities measured at fair value (continued)

Quantitative information of fair value measurement at Level 2:

RMB'000

Item	Fair value as at 30 June 2024 (unaudited)	Valuation technique(s)	Key input(s)
Receivables at FVTOCI	1,718,133	Discounted cash flows	Discount rates for bank acceptance bills in the same term
Other current assets	3,951,571	Discounted cash flows	Market average rate of return with the category in the same term
Total	5,669,704	--	--

Quantitative information of fair value measurement at Level 3:

RMB'000

Item	Fair value as at 30 June 2024 (unaudited)	Valuation technique(s)	Significant unobservable input(s)
Held-for-trading financial assets	341,850	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other equity instrument investments	10,878,995	Market method	Discount rate for lack of market mobility
Held-for-trading financial assets/Other non-current financial assets – call options for unlisted entities	3,593,751	Binomial tree option pricing model for valuation	Unlisted entities' revenue volatility and unlisted equity investments' comparable entities' stock price volatility
Held-for-trading financial assets/Other non-current financial assets – others	8,601,747	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Sum of assets under continuous measurement of fair value	23,416,343	--	--

Fair value of listed equity instruments is determined based on a quoted market price.

For the six months ended 30 June 2024, there was no transfer of fair value measurements between each level for both financial assets and financial liabilities of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Fair value of assets and liabilities that are not measured at fair values

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the financial statements approximate to their fair values except the following items:

RMB'000

Item	Carrying amount		Fair value	
	30 June 2024 (unaudited)	31 December 2023	30 June 2024 (unaudited)	31 December 2023
Long-term loans	41,035,989	39,766,723	41,043,841	39,964,552
Bonds payable	26,665,330	31,031,549	26,671,800	31,099,055

Note: Fair value of long-term loans and bonds payable is determined by discounted future cash flow method, with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 30 June 2024, its own default risk of long-term and short-term loans was evaluated as insignificant.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

RMB'000

Company name	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Railway Construction Corporation	Beijing	Construction and management	RMB9,000,000,000	51.23	51.23

2. Subsidiaries

Please refer to Note XIV. 3(i) "Subsidiaries".

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate

Company name	Related party relationship
Anhui Hehan Expressway Co., Ltd.	Joint venture
Beijing Jiehai Real Estate Co., Ltd.	Joint venture
Beijing Liuzhuang Real Estate Co., Ltd.	Joint venture
Beijing Ruida Real Estate Co., Ltd.	Joint venture
Beijing Xinda Real Estate Co., Ltd.	Joint venture
Changzhou Jingrui Real Estate Development Co., Ltd.	Joint venture
Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.	Joint venture
Chengdu Wuhou Yele Real Estate Development Co., Ltd.	Joint venture
Chengdu Tiecheng Real Estate Co., Ltd.	Joint venture
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	Joint venture
Deqing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Dong'e Huicheng Investment Development and Construction Co., Ltd.	Joint venture
Foshan Shunde District Shunhao Real Estate Co., Ltd.	Joint venture
Fuzhou Xincheng Real Estate Co., Ltd.	Joint venture
Guangxi Urban Rail Engineering Construction Co., Ltd.	Joint venture
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Joint venture
Guangzhou Suiyun Real Estate Co., Ltd.	Joint venture
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Joint venture
Guangzhou Tiejue Real Estate Development Co., Ltd.	Joint venture
Guangzhou Xintie Xinjian Investment Co., Ltd.	Joint venture
Guigang Hesi Quanyu Tourism Development Co., Ltd.	Joint venture
Guiyang Changda Rail Transit Construction Co. Ltd.	Joint venture
Guizhou Guijin Highway Co., Ltd.	Joint venture
Guizhou Jianli Highway Co., Ltd.	Joint venture
Guizhou Qianzhong Expressway Development Co., Ltd.	Joint venture
Guizhou Tongxin Highway Development Co., Ltd.	Joint venture
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Joint venture
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	Joint venture
Haikou Jiangdong Xinju Second Real Estate Co., Ltd.	Joint venture
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.	Joint venture
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Joint venture
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.	Joint venture
Jinan Railway Segment Manufacturing Co., Ltd.	Joint venture
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	Joint venture
Jiangsu Yinbao Gangkai Construction Co., Ltd.	Joint venture
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Joint venture
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Joint venture
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
Kunming Qiping Real Estate Co., Ltd.	Joint venture
Nanchang Xintiecheng Construction Co., Ltd.	Joint venture
Nanjing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Nanjing Jiangbei New Area Guanglian Pipe Gallery Construction Co., Ltd.	Joint venture
Ningbo Jingwan Investment Management Co., Ltd.	Joint venture
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	Joint venture
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	Joint venture
Shanghai Hongjun Real Estate Co., Ltd.	Joint venture
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	Joint venture
Sichuan Chengmian Cangba Expressway Co., Ltd.	Joint venture
Sichuan Danei Highway Co., Ltd.	Joint venture
Sichuan Nansuitong Highway Co., Ltd.	Joint venture
Sichuan Suide Highway Co., Ltd.	Joint venture
Suzhou Jingzhao Real Estate Development Co., Ltd.	Joint venture
Suzhou Ruihua Real Estate Co., Ltd.	Joint venture
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Joint venture
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	Joint venture
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	Joint venture
Tianjin Wanhe Real Estate Co., Ltd.	Joint venture
Tianjin Line 1 Rail Transit Operation Co., Ltd.	Joint venture
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	Joint venture
CRCC Aerospace City (Wuhan) Development and Construction Co., Ltd.	Joint venture
Wuhan Yuejun Real Estate Development Co., Ltd.	Joint venture
Xi'an Kaishengda Real Estate Co., Ltd.	Joint venture
XiXian New Area Century Pipe Gallery Construction Management Co., Ltd.	Joint venture
Xixian New Area Xingcheng Renju Real Estate Co., Ltd.	Joint venture
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	Joint venture
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	Joint venture
Yangxi Yiju Ecological Construction Co., Ltd.	Joint venture
Changchun Jingde Real Estate Development Co., Ltd.	Joint venture
Changsha Yuchi River Area Development & Investment Co., Ltd.	Joint venture
Changsha Zhicheng Real Estate Co., Ltd.	Joint venture
China-Africa Lekkil Investment Co., Ltd.	Joint venture
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	Joint venture
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Joint venture
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Joint venture
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	Joint venture
CRCC (Wuxi) Engineering Technology Development Co., Ltd.	Joint venture
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	Joint venture
CRCC Kunlun Yunnan Real Estate Co., Ltd.	Joint venture
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Joint venture
CRCC Shaanxi Highway Co., Ltd.	Joint venture
CRCC Shaanxi Meitai Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	Joint venture
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	Joint venture
China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd.	Joint venture
China Railway Construction Investment (Xiangtan) New Energy Industrial Park Development Co., Ltd.	Joint venture
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	Joint venture
China Railway Construction Investment Xi'an City Development Co., Ltd.	Joint venture
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.	Joint venture
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Joint venture
Chongqing Jianlian New Real Estate Development Co., Ltd.	Joint venture
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	Joint venture
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiefa Jianxin Highway Co., Ltd.	Joint venture
Chongqing Tiefa Shuanghe Highway Co., Ltd.	Joint venture
Chongqing Yusui Double Track Highway Co., Ltd.	Joint venture
Chongqing Yuxiang Fuxian Highway Co., Ltd.	Joint venture
Anhui Zhenrui Construction Engineering Co., Ltd.	Joint venture
Ningbo Jingsheng Real Estate Co., Ltd.	Joint venture
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	Joint venture
Anhui Huiyu Construction Engineering Co., Ltd.	Associate
Anqing Gaotie New Area Construction Investment Co., Ltd.	Associate
Chengdu Yueran Real Estate Co., Ltd.	Associate
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	Associate
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	Associate
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Associate
Gansu Jinhe Highway Project Management Co., Ltd.	Associate
Gansu Jingli Highway Longnan Management Co., Ltd.	Associate
Gansu Tietou Materials Co., Ltd.	Associate
Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	Associate
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	Associate
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	Associate
Guangxi Yujin Investment Development Co., Ltd.	Associate
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	Associate
Guangzhou Hongxuan Real Estate Co., Ltd.	Associate
Guangzhou Huangpu Light Rail Line 2 Investment Construction Co., Ltd.	Associate
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Associate
Guangzhou Shengdu Investment Development Co., Ltd.	Associate
Guigang Western Outer Ring Road Highway Co., Ltd.	Associate
Guizhou Jinrentong Highway Development Co., Ltd.	Associate
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	Associate
Guizhou Wengma Railway Limited Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
CRCC Guizhou Engineering Investment Co., Ltd	Associate
Hangqu Railway Co., Ltd.	Associate
Hangzhou Jiandejiang Investment Co., Ltd.	Associate
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Associate
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	Associate
Hengda Real Estate (Shenzhen) Co., Ltd.	Associate
Huaibei Zhongsui Construction Development Co., Ltd.	Associate
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	Associate
Jining China Railway Shengtong Urban Construction and Development Co., Ltd.	Associate
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.	Associate
Jianghua Fengcheng Construction Investment Co., Ltd.	Associate
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	Associate
Jintai Infrastructure Investment (Tianjin) Partnership (Limited Partnership)	Associate
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	Associate
Kunming Fuyi Highway Co., Ltd.	Associate
Kunming Sanqing Highway Co., Ltd.	Associate
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	Associate
Liaocheng Xurui Municipal Engineering Co., Ltd.	Associate
Linyi Xinfenghuang Urban Renewal Co., Ltd.	Associate
CRCC Luoyang Guozhan Development and Construction Co., Ltd	Associate
Nanjing Yuanchen Real Estate Co., Ltd.	Associate
Nantong Tiejian Construction Component Co., Ltd.	Associate
Nantong Yanglv Railway Development&Construction Co., Ltd.	Associate
Ningbo Runsheng Real Estate Development Co., Ltd.	Associate
Ningxia Inter-City Railway Co., Ltd.	Associate
Ningxia Chengxin Railway Logistics Co., Ltd.	Associate
Ningxia High speed Rail Industry Development Co., Ltd.	Associate
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	Associate
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	Associate
Qingyuan Maglev Transportation Co., Ltd.	Associate
Sanmenxia Smart Island Construction Development Co., Ltd.	Associate
Sanya Zhongcheng Real Estate Co., Ltd.	Associate
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	Associate
Shaanxi Danningdong Highway Co., Ltd.	Associate
Shaanxi Guanhuan Linfa Expressway Co., Ltd.	Associate
Shanghai Gangheng Real Estate Co., Ltd.	Associate
Shanghai Jingmiaoxin Real Estate Co., Ltd.	Associate
Shanghai Wanjinglong Real Estate Co., Ltd.	Associate
Shanghai Xinfucheng Real Estate Development Co., Ltd.	Associate
Shanghai Xinjinghui Real Estate Development Co., Ltd.	Associate
Shanghai Xinruicheng Real Estate Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
Sichuan Jinsuiyuan Construction Development Co., Ltd.	Associate
Sichuan Tianmeile Highway Co., Ltd.	Associate
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	Associate
Taiyuan Airport Hub Investment and Construction Co., Ltd.	Associate
Taiyuan Airport Hub Real Estate Co., Ltd.	Associate
Tianjin Bincheng Beautiful Life Service Co., Ltd.	Associate
Tianjin Ninghe Rural Roads Engineering Co., Ltd.	Associate
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	Associate
Tianshui Tram Co., Ltd.	Associate
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	Associate
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	Associate
Wantong Intercity Railway Co., Ltd.	Associate
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Associate
Wuhan Nanhu Municipal Pipe Network Operation and Maintenance Co., Ltd.	Associate
Wuhan Zhaorui Real Estate Co., Ltd.	Associate
Wuxue Port Multimodal Transport Investment and Development Co., Ltd.	Associate
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	Associate
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	Associate
Xuzhou Jiaokong Supply Chain Co., Ltd.	Associate
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	Associate
Yongzhou Railway Co., Ltd.	Associate
Yuxi China Railway Infrastructure Construction Co., Ltd.	Associate
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	Associate
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Associate
Changchun Chengtou Ecological Governance Construction Investment Co., Ltd.	Associate
Changchun Nonggao Lingfa Park Management Service Co., Ltd.	Associate
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	Associate
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	Associate
CRCC (Shandong) Deshang Highway Co., Ltd.	Associate
CRCC (Shandong) Gaodong Highway Co., Ltd.	Associate
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Associate
CRCC East Investment & Construction (Cixi) Co., Ltd.	Associate
CRCC Gansu Zhangbian Highway Co., Ltd.	Associate
CRCC Port and Shipping Bureau Group Ecological Environment Construction (Hubei) Co., Ltd.	Associate
CRCC Financial Leasing Co., Ltd.	Associate
CRCC Ningxia Highway Co. Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
CRCC Shandong Jinghu Expressway Jile Co., Ltd.	Associate
CRCC Sichuan Dedu Expressway Co., Ltd.	Associate
China Railway Construction Sichuan Dejian Highway Co., Ltd.	Associate
CRCC Tongguan Investment Co., Ltd.	Associate
China Railway Construction Investment (Linqing) Highway Construction Co., Ltd.	Associate
China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	Associate
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	Associate
China Railway Construction Investment Jilin Changtai Highway Co., Ltd.	Associate
CRCC Investment Jizhong Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Associate
CRCC Investment Langfang Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	Associate
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Associate
China Railway Construction and Investment Shanxi Highway Co., Ltd.	Associate
CRCC Xinjiang Jingxin Highway Co., Ltd.	Associate
CRCC Real Estate Co., Ltd.	Associate
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	Associate
Chongqing Tiefa Xiusong Highway Co., Ltd.	Associate
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Associate
Zhuhai Jiaojian Engineering Co., Ltd.	Associate
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	Associate
Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	Associate
Nanjing Jingyue Real Estate Development Co., Ltd.	Associate
Shanghai Jingmao Yue Real Estate Co., Ltd.	Associate

4. Other related party

Company name	Related party relationship
CRCC JinLi Asset Management Co., Ltd.	Fellow subsidiary

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(1) Revenue from construction services		
Hangqu Railway Co., Ltd.	3,180,112	2,449,982
Chongqing Yuxiang Fuxian Highway Co., Ltd.	1,965,097	2,489,618
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	1,494,952	1,130,859
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	1,331,318	288,706
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	1,248,863	953,984
Guizhou Jianli Highway Co., Ltd.	1,130,570	1,922,912
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	1,079,981	694,220
China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd.	1,051,748	–
CRCC Ningxia Highway Co. Ltd.	945,845	1,229,082
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	917,557	676,088
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	909,166	1,430,376
Kunming Sanqing Highway Co., Ltd.	895,388	732,657
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	771,794	1,062,607
CRCC Shaanxi Meitai Highway Co., Ltd.	712,634	824,227
Chongqing Yusui Double Track Highway Co., Ltd.	647,862	862,690
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	617,838	107,168
Guizhou Jinrentong Highway Development Co., Ltd.	590,488	730,430
Sichuan Nansuitong Highway Co., Ltd.	571,993	551,683
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	540,453	218,821
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	506,047	–
Ningxia Inter-City Railway Co., Ltd.	490,765	226,596
Sichuan Chengmian Cangba Expressway Co., Ltd.	490,132	1,712,203
Chongqing Tiefs Shuanghe Highway Co., Ltd.	467,599	287,620
Guigang Western Outer Ring Road Highway Co., Ltd.	436,864	648,154
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	436,492	181,533
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.	426,307	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(1) Revenue from construction services (continued)		
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	403,498	499,250
Taiyuan Airport Hub Investment and Construction Co., Ltd.	354,784	68,981
Tianjin Bincheng Beautiful Life Service Co., Ltd.	337,705	581,409
Guiyang Changda Rail Transit Construction Co. Ltd.	330,269	480,975
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	299,665	45,123
Jianghua Fengcheng Construction Investment Co., Ltd.	280,456	213,403
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	279,934	165,518
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	276,889	128,041
Anhui Huiyu Construction Engineering Co., Ltd.	269,446	53,896
Ningxia High speed Rail Industry Development Co., Ltd.	268,605	–
China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	258,842	180,696
Shaanxi Guanhuan Linfa Expressway Co., Ltd.	251,438	72,960
CRCC East Investment & Construction (Cixi) Co., Ltd.	249,669	327,616
CRCC Investment Jizhong Development and Construction Co., Ltd.	246,085	1,294,649
Kunming Fuyi Highway Co., Ltd.	240,603	954,331
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	235,694	251,804
China Railway Construction Investment Xi'an City Development Co., Ltd.	226,613	149,558
Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	222,745	56,905
Ningbo Jingsheng Real Estate Co., Ltd.	221,048	275,284
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	215,868	–
China Railway Construction Investment (Linqing) Highway Construction Co., Ltd.	205,260	168,420
CRCC Shaanxi Highway Co., Ltd.	204,920	141,920
Guizhou Guijin Highway Co., Ltd.	164,149	1,559,682
Shaanxi Danningdong Highway Co., Ltd.	152,502	635,850
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	118,715	534,083

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(1) Revenue from construction services (continued)		
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	114,497	461,449
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	95,392	422,119
CRCC Luoyang Guozhan Development and Construction Co., Ltd.	77,651	415,489
China Railway Construction and Investment Shanxi Highway Co., Ltd.	31,526	548,517
Gansu Jingli Highway Longnan Management Co., Ltd.	31,214	381,956
China Railway Construction Investment Jilin Changtai Highway Co., Ltd.	9,823	875,383
Guizhou Qianzhong Expressway Development Co., Ltd.	4,226	2,577,482
Nantong Yanglv Railway Development&Construction Co., Ltd.	3,951	1,270,455
Total	30,541,547	37,205,420
(2) Revenue from sales of goods		
CRCC Financial Leasing Co., Ltd.	440,347	283,622
Xuzhou Jiaokong Supply Chain Co., Ltd.	138,487	264,067
Anhui Zhenrui Construction Engineering Co., Ltd.	61,841	136,208
Total	640,675	683,897
(3) Other incomes		
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	66,325	59,500
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	49,751	50,705
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	38,630	–
Guangzhou Shengdu Investment Development Co., Ltd.	29,408	20,723
Kunming Qiping Real Estate Co., Ltd.	24,717	23,553
Wuhan Zhaorui Real Estate Co., Ltd.	23,142	31,691
China Railway Construction Corporation	19,835	18,860
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	19,342	11,175
Chengdu Tiecheng Real Estate Co., Ltd.	17,976	15,075
Wuhan Yuejun Real Estate Development Co., Ltd.	17,612	–
Changchun Jingde Real Estate Development Co., Ltd.	14,832	–
Suzhou Jingzhao Real Estate Development Co., Ltd.	12,776	22,212
Sichuan Chengmian Cangba Expressway Co., Ltd.	12,247	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item		For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
(3) Other incomes (continued)			
Fuzhou Xincheng Real Estate Co., Ltd.		11,929	5,596
Chengdu Yueran Real Estate Co., Ltd.		10,561	14,407
Beijing Ruida Real Estate Co., Ltd.		581	34,555
CRCC East Investment & Construction (Cixi) Co., Ltd.		–	17,466
Beijing Jiehai Real Estate Co., Ltd.		–	28,737
Total		369,664	354,255
(4) Purchase of goods or receipt of services	<i>Note 5</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.		250,331	382,314
Gansu Tietou Materials Co., Ltd.		163,082	20,165
Guangxi Urban Rail Engineering Construction Co., Ltd.		95,438	–
CRCC (Wuxi) Engineering Technology Development Co., Ltd.		90,726	13,000
Nantong Tiejian Construction Component Co., Ltd.		83,511	1,000
Jinan Railway Segment Manufacturing Co., Ltd.		67,979	59,727
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.		58,655	5,500
Zhuhai Jiaojian Engineering Co., Ltd.		9,250	113,039
Total		818,972	594,745
(5) Other expenses	<i>Note 5</i>		
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.		93,848	112,627
Guangzhou Xintie Xinjian Investment Co., Ltd.		46,262	77,767
China Railway Construction Corporation	<i>Note 4</i>	22,330	22,000
CRCC Jinli Asset Management Co., Ltd.	<i>Note 4</i>	5,475	8,384
Total		167,915	220,778

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

(6) Related party leasing

As the lessee:

RMB'000

Lessor			Amount recognised for the six months ended 30 June 2024 (unaudited)	Amount recognised for the six months ended 30 June 2023 (unaudited)
		Leasing asset types		
CRCC Financial Leasing Co., Ltd.	Note 6	Machinery	763,969	935,781
China Railway Construction Corporation	Note 4, Note 6	Buildings	8,669	7,475
Total		—	772,638	943,256

(7) Guarantees granted to a related party

30 June 2024 (unaudited):

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	614,913	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	537,530	17 August 2022	30 December 2027	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	448,590	14 June 2022	21 December 2031	No
Total	1,601,033	—	—	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

(7) Guarantees granted to a related party (continued)

31 December 2023:

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	623,347	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	538,020	17 August 2022	30 December 2027	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	398,040	14 June 2022	21 December 2031	No
Wuhan Zhaorui Real Estate Co., Ltd.	191,100	9 July 2021	27 March 2024	No
Total	1,750,507	—	—	—

(8) Key management's remuneration

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Key management's remuneration	4,475	7,065

Note 1: The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.

Note 2: The terms of the sales agreements of goods entered into by the Group and related parties were mutually agreed by the parties.

Note 3: The terms of the agreements relating to rendering of or receiving other services entered into by the Group and related parties were mutually agreed by the parties. The other income from related parties was mainly interest income from loans receivable.

Note 4: The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 5: The terms of the purchase agreements of goods and services entered into by the Group and related parties were mutually agreed by the parties.

Note 6: The lease fees recognised by the group and its affiliated companies are the lease payments paid by the group to repay the lease liabilities in the current period and the short-term lease and low-value assets lease expenses included in the current profit and loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Bills receivable	<i>Note 1</i>				
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.		38,301	191	4,000	20
CRCC Financial Leasing Co., Ltd.		9,612	48	–	–
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.		–	–	90,000	450
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.		–	–	300,000	1,500
Xilinhote China Railway Municipal Infrastructure Construction Co., Ltd.		–	–	46,000	230
Total		47,913	239	440,000	2,200
Trade receivables	<i>Note 1</i>				
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		760,563	788	204,969	250
CRCC Luoyang Guozhan Development and Construction Co., Ltd.		744,893	17,149	761,448	17,154
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		447,587	2,238	4,076	35
China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd.		419,555	2,307	–	–
Anhui Zhenrui Construction Engineering Co., Ltd.		416,493	978	402,153	1,263
Tianjin Bincheng Beautiful Life Service Co., Ltd.		391,089	1,895	322,423	1,575
CRCC Shaanxi Meitai Highway Co., Ltd.		385,943	2,027	335,691	356
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.		380,805	381	236,130	236
Sichuan Chengmian Cangba Expressway Co., Ltd.		373,373	373	22,691	30
China Railway Construction Investment (Liaoning) Highway Co., Ltd.		342,656	1,713	2,400	12

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (continued)	<i>Note 1</i>				
Tianjin Ninghe Rural Roads Engineering Co., Ltd.		308,866	1,958	–	–
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.		282,908	2,735	292,075	1,499
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.		259,345	1,539	428	2
Chongqing Tiefa Jianxin Highway Co., Ltd.		231,542	800	104,767	1,758
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.		222,217	1,389	160,679	1,042
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.		220,509	1,213	69,471	347
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.		211,148	211	174,267	174
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.		202,045	1,134	224,995	1,125
Yuxi China Railway Infrastructure Construction Co., Ltd.		197,423	3,527	248,692	7,369
Guizhou Jianli Highway Co., Ltd.		185,778	1,168	4,223	21
Guangzhou Shengdu Investment Development Co., Ltd.		182,536	871	68,422	290
Sichuan Tiexin Zhiyuan Construction Co., Ltd.		180,601	1,806	114,595	951
Jianyang Railway Construction Hexing Highway Investment Co., Ltd.		174,381	2,220	163,795	2,886
Huaibei Zhongsui Construction Development Co., Ltd.		167,622	265	155,445	265
Ningxia Inter-City Railway Co., Ltd.		166,593	913	90,967	2,507
China Railway Construction Investment (Linjing) Highway Construction Co., Ltd.		162,665	813	–	–
CRCC Kunlun Yunnan Real Estate Co., Ltd.		155,650	525	72,743	416
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.		152,152	759	17,698	88
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.		145,392	727	132,648	663
Xixian New Area Xingcheng Renju Real Estate Co., Ltd.		142,288	2,494	136,892	1,619
Sichuan Tianmeile Highway Co., Ltd.		136,168	136	–	–
Tianshui Tram Co., Ltd.		135,582	678	124,453	679

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (continued)	<i>Note 1</i>				
China Railway Construction Investment Xi'an City Development Co., Ltd.		135,142	937	–	–
Qingyuan Maglev Transportation Co., Ltd.		134,618	743	95,822	483
Changsha Zhicheng Real Estate Co., Ltd.		131,822	610	41,329	119
Wuhan Nanhu Municipal Pipe Network Operation and Maintenance Co., Ltd.		131,159	266	9,162	46
Suzhou Jingzhao Real Estate Development Co., Ltd.		130,881	402	175,133	489
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.		128,435	183	134,110	1,164
Shaanxi Guanhuo Linfa Expressway Co., Ltd.		127,852	251	959	1
XiXian New Area Century Pipe Gallery Construction Management Co., Ltd.		123,955	124	28,809	29
Haikou Jiangdong Xinqu Second Real Estate Co., Ltd.		122,916	982	2,070	10
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.		120,121	1,592	184,082	1,594
CRCC Financial Leasing Co., Ltd.		119,685	469	64,807	243
Nanchang Xintiecheng Construction Co., Ltd.		117,514	588	106,468	532
Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.		116,949	585	78,958	539
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.		108,370	528	13,019	65
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.		104,449	2,258	44,573	1,959
Nanjing Jingyue Real Estate Development Co., Ltd.		100,555	467	14,336	37
Nanjing Jiangbei New Area Guanglian Pipe Gallery Construction Co., Ltd.		88,025	11,836	135,078	11,841
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.		86,678	633	182,453	906
Guizhou Jinrentong Highway Development Co., Ltd.		82,478	82	241,859	242
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.		53,862	539	135,028	1,514

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables (continued)	<i>Note 1</i>				
CRCC Development (Rizhao) Environmental Protection Co., Ltd.		39,399	153	235,678	1,178
Ningxia Chengxin Railway Logistics Co., Ltd.		24,476	139	106,209	531
Jiangxi Wanshui Ecological Resources Development Co., Ltd.		18,189	576	152,290	761
Hangzhou Genshan East Road Crossing Tunnel Management Co., Ltd.		5,516	28	215,029	215
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.		310	140	128,675	812
Yangxi Yiju Ecological Construction Co., Ltd.		–	–	163,058	907
Total		11,239,724	82,841	7,338,230	70,829
Loans and advances to customers					
China Railway Construction Corporation	<i>Note 3</i>	1,698,000	53,428	1,650,000	45,375
Hangqiu Railway Co., Ltd.		84,180	3,627	85,000	3,320
Total		1,782,180	57,055	1,735,000	48,695
Other receivables					
Tianjin Wanhe Real Estate Co., Ltd.	<i>Note 2</i>	2,527,272	546,483	2,537,172	505,619
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	<i>Note 2</i>	1,762,816	1,820	1,633,436	1,691
Beijing Xinda Real Estate Co., Ltd.	<i>Note 2</i>	1,704,576	76,483	113,246	76,484
Guangzhou Xintie Xinjian Investment Co., Ltd.	<i>Note 2</i>	1,384,225	742	440,035	243
Guangzhou Shengdu Investment Development Co., Ltd.	<i>Note 2</i>	1,338,278	1,338	1,344,976	1,345
Beijing Ruida Real Estate Co., Ltd.	<i>Note 2</i>	1,331,561	1,332	1,341,562	1,342
Wuhan Zhaorui Real Estate Co., Ltd.	<i>Note 2</i>	1,261,910	1,262	1,124,439	1,124
Beijing Jiehai Real Estate Co., Ltd.	<i>Note 2</i>	979,944	980	972,944	973
Shanghai Jingmao Yue Real Estate Co., Ltd.	<i>Note 2</i>	963,752	964	–	–
CRCC Guizhou Engineering Investment Co., Ltd.		913,244	150,588	913,446	150,588
Chengdu Tiecheng Real Estate Co., Ltd.	<i>Note 2</i>	841,949	833	822,791	823
Guangzhou Suiyun Real Estate Co., Ltd.	<i>Note 2</i>	785,102	99,348	785,102	64,595
Kunming Qiping Real Estate Co., Ltd.	<i>Note 2</i>	665,246	654	643,421	643
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	<i>Note 2</i>	618,039	618	491,046	491

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables (continued)					
Nanjing Yuanchen Real Estate Co., Ltd.	Note 2	581,080	581	643,080	643
China Railway Construction Investment Xi'an City Development Co., Ltd.		576,372	26,702	969,360	28,597
Ningbo Jingwan Investment Management Co., Ltd.	Note 2	527,518	349	522,350	522
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Note 2	505,525	344,393	494,197	280,075
Shanghai Wanjianglong Real Estate Co., Ltd.	Note 2	495,482	495	1,082,998	1,083
Changchun Jingde Real Estate Development Co., Ltd.	Note 2	461,182	461	446,350	440
Fuzhou Xincheng Real Estate Co., Ltd.	Note 2	446,656	435	434,727	435
Suzhou Jingzhao Real Estate Development Co., Ltd.	Note 2	407,184	407	395,602	396
China Railway Construction Sichuan Dejian Highway Co., Ltd.		381,269	1,979	206,592	1,196
Chengdu Yueran Real Estate Co., Ltd.	Note 2	348,011	343	464,849	465
Xi'an Kaishengda Real Estate Co., Ltd.	Note 2	341,791	342	283,165	283
Deqing Jingsheng Real Estate Development Co., Ltd.	Note 2	278,714	279	278,714	279
Xixian New Area Xingcheng Renju Real Estate Co., Ltd.	Note 2	250,864	247	240,046	240
Wuhan Yuejun Real Estate Development Co., Ltd.	Note 2	223,989	224	10,581	358
Guangzhou Tiejue Real Estate Development Co., Ltd.	Note 2	222,812	223	–	–
Beijing Liuzhuang Real Estate Co., Ltd.	Note 2	209,301	209	311,282	311
Chongqing Tiejue Zhaohua Real Estate Development Co., Ltd.	Note 2	209,279	209	206,228	206
CRCC (Shandong) Gaodong Highway Co., Ltd.		200,300	1,000	120,000	600
Taiyuan Airport Hub Real Estate Co., Ltd.	Note 2	199,409	7,310	386,109	2,867
Guangxi Yujin Investment Development Co., Ltd.	Note 2	155,930	780	152,142	761
CRCC Shaanxi Highway Co., Ltd.		146,000	146	–	–
Chongqing Jianlian New Real Estate Development Co., Ltd.	Note 2	132,000	132	132,013	132
Sanya Zhongcheng Real Estate Co., Ltd.	Note 2	126,519	19,867	126,487	16,521
Suzhou Ruihua Real Estate Co., Ltd.	Note 2	122,653	123	121,981	122
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.		112,831	512	114,473	572
Total		24,740,585	1,291,193	21,306,942	1,143,065

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables					
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	<i>Note 2</i>	2,248,453	2,248	2,391,047	2,391
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		729,338	3,643	140,104	701
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	<i>Note 2</i>	723,394	430,798	745,411	430,829
Chengdu Tiecheng Real Estate Co., Ltd.	<i>Note 2</i>	689,065	689	689,065	689
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		583,135	3,899	438,948	2,287
CRCC Investment Jizhong Development and Construction Co., Ltd.		571,564	2,858	977,308	5,357
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.		480,000	2,400	480,000	2,400
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.		420,289	2,142	302,376	1,528
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.		374,617	1,873	374,617	1,873
Hohhot Metro Line 2 Construction & Management Co., Ltd.		329,180	45,770	537,662	45,770
Dong'e Huicheng Investment Development and Construction Co., Ltd.		328,682	1,645	272,127	1,362
CRCC Sichuan Dedu Expressway Co., Ltd.		289,945	1,599	319,892	1,599
Anqing Gaotie New Area Construction Investment Co., Ltd.		285,682	1,428	301,440	1,507

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)		31 December 2023	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (continued)					
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.		284,587	1,423	179,842	899
Taiyuan Airport Hub Real Estate Co., Ltd.	Note 2	271,562	1,265	136,836	419
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.		265,443	1,339	80,676	420
Sichuan Jinsuiyuan Construction Development Co., Ltd.		262,337	1,312	272,189	1,426
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		262,007	1,311	641,070	3,634
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.		252,881	1,248	248,149	1,241
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.		229,845	1,149	123,937	620
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.		215,385	1,077	–	–
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.		204,643	1,023	193,723	1,195
Shanghai Gangheng Real Estate Co., Ltd.	Note 2	168,484	842	168,484	842
CRCC Investment Langfang Development and Construction Co., Ltd.		167,540	838	157,718	789
Wantong Intercity Railway Co., Ltd.		103,444	649	152,834	894
Tianjin Bincheng Beautiful Life Service Co., Ltd.		79,722	401	306,882	1,534
Yuxi China Railway Infrastructure Construction Co., Ltd.		77,206	592	409,681	2,048
CRCC East Investment & Construction (Cixi) Co., Ltd.		64,646	65	217,478	1,087
Changzhou Jingrui Real Estate Development Co., Ltd.	Note 2	63,000	437	131,131	606
Jiangsu Yinbao Gangkai Construction Co., Ltd.		38,528	147	299,857	1,499
Total		11,064,604	516,110	11,690,484	517,446

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2024 (unaudited)		31 December 2023	
	Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Debt investments				
Hengda Real Estate (Shenzhen) Co., Ltd.	2,927,357	1,706,991	2,927,357	1,706,991
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	647,127	97,069	517,478	76,930
Liaocheng Xurui Municipal Engineering Co., Ltd.	574,885	2,874	551,580	2,758
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	524,058	524	524,058	524
Linyi Xinfenghuang Urban Renewal Co., Ltd.	150,000	7,500	150,000	7,500
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	132,010	660	134,505	673
Changchun Nonggao Lingfa Park Management Service Co., Ltd.	88,075	440	85,574	428
Sanmenxia Smart Island Construction Development Co., Ltd.	86,763	434	71,264	356
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	66,669	67	68,669	69
Taiyuan Airport Hub Real Estate Co., Ltd.	51,433	253	51,433	253
CRCC Tongguan Investment Co., Ltd.	100	–	363,980	364
Total	5,248,477	1,816,812	5,445,898	1,796,846

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2024 (unaudited)	31 December 2023
Bills payable <i>Note 1</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.	198,500	54,534
Gansu Tietou Materials Co., Ltd.	92,000	45,000
CRCC Financial Leasing Co., Ltd.	4,505	56,862
Total	295,005	156,396
Trade payables <i>Note 1</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.	253,750	145,665
CRCC Financial Leasing Co., Ltd.	195,107	71,377
Jinan Railway Segment Manufacturing Co., Ltd.	139,887	141,016
Gansu Tietou Materials Co., Ltd.	118,038	99,006
Guangxi Urban Rail Engineering Construction Co., Ltd.	58,337	3,685
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	56,904	62,603
CRCC (Wuxi) Engineering Technology Development Co., Ltd.	55,490	233
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	50,805	72,168
Total	928,318	595,753

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)	31 December 2023
Contract liabilities	<i>Note 4</i>		
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.		432,149	468,458
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.		386,460	26,063
Anhui Hehan Expressway Co., Ltd.		381,016	–
Sichuan Nansuitong Highway Co., Ltd.		227,957	383,089
Wuxue Port Multimodal Transport Investment and Development Co., Ltd.		186,690	–
Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.		182,812	–
Guangzhou Huangpu Light Rail Line 2 Investment Construction Co., Ltd.		95,163	–
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.		81,786	–
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.		69,698	30,967
Gansu Jinhe Highway Project Management Co., Ltd.		65,554	–
Sichuan Chengmian Cangba Expressway Co., Ltd.		64,405	859
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.		63,606	75,470
Haikou Jiangdong Xinju Second Real Estate Co., Ltd.		62,864	–
Yongzhou Railway Co., Ltd.		61,900	–
Xuzhou Jiaokong Supply Chain Co., Ltd.		60,663	27,375
Guigang Hesi Quanyu Tourism Development Co., Ltd.		57,197	95,000
Changchun Chengtou Ecological Governance Construction Investment Co., Ltd.		51,141	79,700
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.		33,681	154,420
Guigang Western Outer Ring Road Highway Co., Ltd.		–	188,896
Total		2,564,742	1,530,297

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)	31 December 2023
Other payables	<i>Note 1</i>		
CRCC Xinjiang Jingxin Highway Co., Ltd.		2,475,292	13,950
Guangzhou Xintie Xinjian Investment Co., Ltd.		1,903,184	1,231,252
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.		1,533,222	38,092
Yunnan Kunchu Highway Investment & Development Co., Ltd.		1,117,920	336,312
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.		1,104,525	492,379
Shanghai Xinjinghui Real Estate Development Co., Ltd.		806,701	803,516
Chongqing Tiefa Jianxin Highway Co., Ltd.		753,763	324,262
Shanghai Jingmiaoxin Real Estate Co., Ltd.		670,961	718,274
Chongqing Tiefa Shuanghe Highway Co., Ltd.		635,100	57,567
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.		617,298	667,315
Ningbo Runsheng Real Estate Development Co., Ltd.		605,387	598,201
Kunming Fuyi Highway Co., Ltd.		532,972	164,077
Sichuan Nansuitong Highway Co., Ltd.		488,090	172,457
CRCC Investment Langfang Development and Construction Co., Ltd.		480,201	819
CRCC Sichuan Dedu Expressway Co., Ltd.		413,764	407,217
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.		409,823	501,960
Guiyang Changda Rail Transit Construction Co. Ltd.		367,717	9,294
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		323,358	185,151
Shanghai Xinfucheng Real Estate Development Co., Ltd.		318,876	253,264
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		311,041	484,470
CRCC Port and Shipping Bureau Group Ecological Environment Construction (Hubei) Co., Ltd.		302,433	–
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		293,070	2,184
Kunming Kunlun Shouzhi Real Estate Co., Ltd.		279,250	279,250

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)	31 December 2023
Other payables (continued)	<i>Note 1</i>		
Shanghai Xinruicheng Real Estate Development Co., Ltd.		266,106	218,638
Nanjing Jingsheng Real Estate Development Co., Ltd.		253,603	240,177
CRCC (Shandong) Deshang Highway Co., Ltd.		251,243	220,300
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.		250,634	–
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.		240,395	258,216
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.		229,263	254,308
Chengdu Wuhou Yele Real Estate Development Co., Ltd.		221,076	271,076
Shanghai Hongjun Real Estate Co., Ltd.		199,920	143,820
CRCC Gansu Zhangbian Highway Co., Ltd.		183,723	237,522
Guizhou Tongxin Highway Development Co., Ltd.		167,918	176,777
Chongqing Tiefs Xiusong Highway Co., Ltd.		157,925	148,213
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.		155,127	–
China Railway Construction Investment (Xiangtan) New Energy Industrial Park Development Co., Ltd.		154,831	32,199
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.		151,772	151,772
CRCC Real Estate Co., Ltd.		150,147	119,922
Tianjin Line 1 Rail Transit Operation Co., Ltd.		143,677	205,862
Chongqing Yusui Double Track Highway Co., Ltd.		139,003	74,309
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.		138,939	84,449
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.		130,072	1,748
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.		122,232	126,977
Guangzhou Hongxuan Real Estate Co., Ltd.		118,489	118,489
Sichuan Suide Highway Co., Ltd.		117,673	106,952

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2024 (unaudited)	31 December 2023
Other payables (continued) <i>Note 1</i>		
Ningbo Jingwan Investment Management Co., Ltd.	112,247	36,288
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	111,930	219,982
Changsha Yuchi River Area Development & Investment Co., Ltd.	110,172	169,330
Sichuan Danei Highway Co., Ltd.	108,047	76,756
CRCC Shandong Jinghu Expressway Jile Co., Ltd.	105,920	26,846
CRCC Ningxia Highway Co. Ltd.	103,049	185,991
Kunming Sanqing Highway Co., Ltd.	100,944	7,322
Foshan Shunde District Shunhao Real Estate Co., Ltd.	100,764	49,878
Yuxi China Railway Infrastructure Construction Co., Ltd.	100,000	280,000
Total	21,640,789	11,985,382
Advances to suppliers		
Xuzhou Jiaokong Supply Chain Co., Ltd.	87,650	20,015
CRCC Financial Leasing Co., Ltd.	86,258	62,994
Total	173,908	83,009
Due to customers <i>Note 5</i>		
CRCC Jinli Asset Management Co., Ltd.	531,465	560,642
China Railway Construction Corporation	158,941	166,979
Hangzhou Jiandejiang Investment Co., Ltd.	124,650	51,826
Jining China Railway Shengtong Urban Construction and Development Co., Ltd.	100,000	–
China-Africa Lekkil Investment Co., Ltd.	83,740	82,380
CRCC Aerospace City (Wuhan) Development and Construction Co., Ltd.	62,075	–
Guangzhou Xintie Xinjian Investment Co., Ltd.	50,555	179,280
CRCC Financial Leasing Co., Ltd.	85	204,035
Total	1,111,511	1,245,142

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2024 (unaudited)	31 December 2023
Long-term loans (including current portion)	<i>Note 6</i>		
China Railway Construction Corporation		1,423,276	1,423,276
Total		1,423,276	1,423,276
Lease liabilities (including current portion)			
CRCC Financial Leasing Co., Ltd.		1,423,105	1,796,707
China Railway Construction Corporation		36,690	37,001
Total		1,459,795	1,833,708
Long-term payables (including current portion)			
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)		516,937	578,311
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)		451,365	440,839
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)		380,972	374,943
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)		348,956	345,708
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)		144,239	137,419
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)		133,484	158,582
CRCC Financial Leasing Co., Ltd.		66,223	74,563
Jintai Infrastructure Investment (Tianjin) Partnership (Limited Partnership)		59,296	58,512
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)		–	349,362
Total		2,101,472	2,518,239

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

- Note 1:* The amounts due from/to related parties were interest-free, unsecured, and had no fixed terms of repayment.
- Note 2:* The amounts due from related parties were loans for cooperative development project from the Group's real estate development operation segments, with the interest rate agreed in the contracts.
- Note 3:* The amounts due from the Controlling Shareholder and associates were borrowings from CRCC Finance Company Limited.
- Note 4:* The amounts were mainly advances from related parties and were interest-free.
- Note 5:* The amounts due to the Group's related parties were deposits in CRCC Finance Company Limited.
- Note 6:* The amounts were appropriations from the Ministry of Finance to the Controlling Shareholder and considered as the entrusted loans granted to the Group by the Controlling Shareholder. The interest rate of such entrusted loans was determined by the Loan Prime Rate published by National Interbank Funding Center.

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

RMB'000

	30 June 2024 (unaudited)	31 December 2023
Contracted, but not provided for:		
Capital commitments	2,557,944	3,806,127
Investment commitments	67,152,319	69,708,257
Total	69,710,263	73,514,384

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XI. COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Guarantees

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Group	30 June 2024 (unaudited)	31 December 2023
Associates	1,601,033	1,750,507
Other entities	488,231	696,030
Total	2,089,264	2,446,537

The above guarantees exclude guarantees in respect of the banking facilities other than mortgages. As at 30 June 2024, the Group's guarantees (excluding guarantees in respect of the banking facilities other than mortgages) amounted to RMB2,089,264,000 (31 December 2023: RMB2,446,537,000), the guarantees in respect of mortgages amounted to RMB22,299,847,000 (31 December 2023: RMB29,178,017,000). Until now, the guarantees rarely defaulted payments to the banks, thus the Group considered the risks related to the guarantees were low and the fair value was immaterial.

The above guarantees in respect of mortgages were granted to the purchasers of the Group's properties and secured by the mortgages.

The Company had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Company	30 June 2024 (unaudited)	31 December 2023
Subsidiaries	4,539,994	11,710,103
Other entities	203,759	405,931
Total	4,743,753	12,116,034

In addition, no interest-bearing bank and other loans of the Company were guaranteed by the subsidiaries of the Company as at 30 June 2024 (31 December 2023: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XII. EVENTS AFTER THE BALANCE SHEET DATE

As at the date of this report being approved to issue, the Group did not have any significant events after the end of the reporting period that require disclosure.

XIII. OTHER SIGNIFICANT EVENTS

1. *Segment reporting*

Operating segments

For management purposes, the Group is organised into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The plan, design and consultancy operations segment engage in the provision of plan, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- (3) The manufacturing operations segment engages in the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- (4) The real estate development operations segment engages in the development, construction and sale of residential properties and commercial properties; and
- (5) The other business operations segment mainly comprises trade and logistics, finance and insurance and highway operation service.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (continued)

Operating segments (continued)

RMB'000

	Construction operations	Plan, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
For the six months ended 30 June 2024: (unaudited)							
Revenue from external customers	444,519,432	7,985,002	8,982,834	31,547,625	23,101,825	-	516,136,718
Inter-segment sales	7,095,352	17,282	2,250,658	-	19,062,719	(28,426,011)	-
Total	451,614,784	8,002,284	11,233,492	31,547,625	42,164,544	(28,426,011)	516,136,718
Share of profits/(losses) of joint ventures and associates	(72,410)	(45,159)	103,700	(12,746)	(478,032)	-	(504,647)
Impairment of credit losses and impairment losses on assets	(1,649,866)	(122,809)	(50,640)	(206,403)	(232,074)	-	(2,261,792)
Depreciation and amortisation	9,301,543	212,209	770,497	179,671	730,592	-	11,194,512
Profit before tax	12,157,451	2,055,447	1,070,422	1,286,018	1,210,934	80,764	17,861,036
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	10,872,627	89,323	726,556	503,469	6,482,427	-	18,674,402
30 June 2024 (unaudited)							
Segment assets (Note 1)	1,277,603,080	35,666,524	63,415,910	381,265,164	385,437,697	(397,546,854)	1,745,841,521
Segment liabilities (Note 2)	994,050,110	10,920,218	35,283,083	310,759,029	334,353,867	(353,581,462)	1,331,784,845
Other disclosures:							
Long-term equity investments in joint ventures and associates	130,562,243	4,688,502	2,195,665	13,036,980	4,298,492	-	154,781,882

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (continued)

Operating segments (continued)

RMB'000

	Construction operations	Plan, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
For the six months ended 30 June 2023: (unaudited)							
Revenue from external customers	473,683,965	8,358,836	10,630,897	21,411,451	26,974,842	–	541,059,991
Inter-segment sales	9,716,476	26,328	1,533,791	–	18,269,319	(29,545,914)	–
Total	483,400,441	8,385,164	12,164,688	21,411,451	45,244,161	(29,545,914)	541,059,991
Share of profits/(losses) of joint ventures and associates	186,406	43,492	129,658	106,742	(262,481)	–	203,817
Impairment of credit losses and impairment losses on assets	(1,738,298)	(115,762)	(15,325)	(151,201)	70,039	–	(1,950,547)
Depreciation and amortisation	8,708,015	141,797	649,541	8,653	626,346	–	10,134,352
Profit before tax	13,913,519	2,115,078	1,525,593	996,414	1,585,278	(417,656)	19,718,226
Other disclosures:							
Increase in other non-current assets other than long-term equity investments	11,035,476	290,831	1,815,505	260,873	3,250,446	–	16,653,131
31 December 2023							
Segment assets (Note 1)	1,211,379,893	39,089,326	58,104,235	379,148,288	352,244,035	(376,946,199)	1,663,019,578
Segment liabilities (Note 2)	954,493,054	14,809,678	30,876,710	311,123,245	297,137,937	(362,540,819)	1,245,899,805
Other disclosures:							
Long-term equity investments in joint ventures and associates	127,280,722	4,494,805	2,153,821	11,313,268	4,035,741	–	149,278,357

Note 1: Segment assets do not include deferred tax assets of RMB11,550,447,000 (31 December 2023: RMB11,211,912,000) and advance payment of corporate income tax of RMB2,627,266,000 (31 December 2023: RMB2,444,248,000), as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB411,724,567,000 (31 December 2023: RMB390,602,359,000) are eliminated on consolidation.

Note 2: Segment liabilities do not include deferred tax liabilities of RMB1,903,073,000 (31 December 2023: RMB2,008,603,000) and corporate income tax payable of RMB2,677,966,000 (31 December 2023: RMB4,279,976,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB358,162,501,000 (31 December 2023: RMB368,829,398,000) are eliminated on consolidation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (continued)

Group information

Geographical information

Revenue from external customers

RMB'000

	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Mainland China	485,302,962	511,771,460
Outside Mainland China	30,833,756	29,288,531
Total	516,136,718	541,059,991

Total non-current assets (Note)

RMB'000

	30 June 2024 (unaudited)	31 December 2023
Mainland China	325,559,992	301,995,741
Outside Mainland China	14,877,338	15,507,623
Total	340,437,330	317,503,364

In the geographical information above, revenue from external customers is based on the locations of the customers. Non-current asset information above is based on the locations of the non-current assets.

Note: Non-current assets consisted of investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, long-term prepaid expenses and investments in joint ventures and associates.

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer for the six months ended 30 June 2024 (for the six months ended 30 June 2023: did not derive more than 10% of its total revenue from any single customer).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information

(i) Pension scheme contributions

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Pension scheme contributions (defined contribution plans)	4,286,779	4,004,887
Pension scheme costs (defined benefit plans)	594	762

As at 30 June 2024, there were no forfeited contributions available to reduce the Group's contributions to its pension scheme in the next year (31 December 2023: Nil).

(ii) Directors' and supervisors' remuneration

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Directors' and supervisors' remuneration	2,251	2,822

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Aging	30 June 2024 (unaudited)	31 December 2023
Within 1 year	2,311,379	2,710,101
1 to 2 years	170,013	170,555
2 to 3 years	–	3,045
Over 3 years	3,045	–
Subtotal	2,484,437	2,883,701
Less: Allowance for credit losses	27,211	29,640
Total	2,457,226	2,854,061

Trade receivables and allowance for credit losses by category are listed as follows:

RMB'000

Category	30 June 2024 (unaudited)				Carrying amount
	Gross carrying amount		Allowance for credit losses		
	Amount	Percentage	Amount	Percentage	
		%		%	
Allowance for credit losses assessed by credit risk portfolio	2,484,437	100.00	27,211	1.10	2,457,226
Total	2,484,437	100.00	27,211	1.10	2,457,226

RMB'000

Category	31 December 2023				
	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage	Amount	Percentage	
		%		%	
Allowance for credit losses assessed by credit risk portfolio	2,883,701	100.00	29,640	1.03	2,854,061
Total	2,883,701	100.00	29,640	1.03	2,854,061

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Trade receivables (continued)

As at 30 June 2024, trade receivables whose allowance for credit losses were assessed by credit risk portfolio are listed as follows:

RMB'000

Aging	30 June 2024 (unaudited)			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	2,311,379	93.04	21,154	0.92
1 to 2 years	170,013	6.84	4,991	2.94
Over 3 years	3,045	0.12	1,066	35.01
Total	2,484,437	100.00	27,211	1.10

As at 30 June 2024, top five entities with the largest balances of trade receivables and contract assets are listed as follows (unaudited):

RMB'000

Company name	Gross carrying amount of trade receivables	Gross carrying amount of contract assets	Gross carrying amount of trade receivables and contract assets	Percentage of total gross carrying amount of trade receivables and contract assets (%)	Closing balance of allowance for credit losses
Company 1	1,228,644	274,407	1,503,051	25.62	15,031
Company 2	313,911	361,027	674,938	11.51	6,749
Company 3	210,525	100,068	310,593	5.30	3,106
Company 4	164,614	211,341	375,955	6.41	3,908
Company 5	142,584	–	142,584	2.44	713
Total	2,060,278	946,843	3,007,121	51.28	29,507

As at 30 June 2024 and 31 December 2023, no amount due from shareholders that held 5% or more of the Company's voting rights or other related parties was included in the aforesaid balance of trade receivables.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	30 June 2024 (unaudited)	31 December 2023
Within 1 year	17,683,862	17,049,773
1 to 2 years	5,009,093	468,644
2 to 3 years	109,258	277,350
Over 3 years	816,460	1,191,119
Subtotal	23,618,673	18,986,886
Less: Allowance for credit losses	1,298	1,305
Total	23,617,375	18,985,581

Provision for allowance for credit losses are as follows:

- (1) As at 30 June 2024, the Company did not have other receivables at phase II.
- (2) As at 30 June 2024, the Company did not have other receivables at phase III.

For the six months ended 30 June 2024, no other receivables have been written off (For the six months ended 30 June 2023: Nil).

As at 30 June 2024, other receivables from the five largest customers are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Company	Amount	Aging	Percentage of total other receivables %
Company 1	Subsidiaries	5,000,000	Within 2 years	21.17
Company 2	Subsidiaries	3,246,572	Within 3 years	13.75
Company 3	Subsidiaries	1,783,832	Within 3 years	7.55
Company 4	Subsidiaries	1,703,139	Within 5 years	7.21
Company 5	Subsidiaries	1,096,814	Within 2 years	4.64
Total	—	12,830,357	—	54.32

As at 30 June 2024 and 31 December 2023, no amount due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of other receivables.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

RMB'000

Item		30 June 2024 (unaudited)	31 December 2023
Equity investment under cost method			
– Subsidiaries	(i)	103,305,853	103,305,853
Total		103,305,853	103,305,853

Note: All the long-term equity investments are investments in unlisted companies, except for CRCC High-Tech Equipment Corporation Limited and China Railway Construction Heavy Industry Corporation Limited.

(i) Subsidiaries

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the period (unaudited)		Carrying amount at 30 June 2024 (unaudited)	Percentage of the investee's registered capital directly attributable to the Company as at 30 June 2024 (unaudited) (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Civil Engineering Construction Corporation	2,946,507	–	–	2,946,507	100.00	Co., Ltd
China Railway 11th Bureau Group Co., Ltd.	1,893,912	–	–	1,893,912	81.62	Co., Ltd
China Railway 12th Bureau Group Co., Ltd.	1,957,277	–	–	1,957,277	100.00	Co., Ltd
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,660,480	–	–	2,660,480	100.00	Co., Ltd
China Railway 14th Bureau Group Co., Ltd.	2,130,105	–	–	2,130,105	79.02	Co., Ltd
China Railway 15th Bureau Group Co., Ltd.	1,585,152	–	–	1,585,152	100.00	Co., Ltd
China Railway 16th Bureau Group Co., Ltd.	1,482,412	–	–	1,482,412	100.00	Co., Ltd
China Railway 17th Bureau Group Co., Ltd.	1,735,340	–	–	1,735,340	100.00	Co., Ltd
China Railway 18th Bureau Group Co., Ltd.	1,103,234	–	–	1,103,234	80.30	Co., Ltd
China Railway 19th Bureau Group Co., Ltd.	3,954,638	–	–	3,954,638	100.00	Co., Ltd
China Railway 20th Bureau Group Co., Ltd.	1,615,144	–	–	1,615,144	70.41	Co., Ltd
China Railway 21st Bureau Group Co., Ltd.	1,557,251	–	–	1,557,251	100.00	Co., Ltd
China Railway 22nd Bureau Group Co., Ltd.	1,295,286	–	–	1,295,286	100.00	Co., Ltd
China Railway 23rd Bureau Group Co., Ltd.	1,545,004	–	–	1,545,004	100.00	Co., Ltd
China Railway 24th Bureau Group Co., Ltd.	1,346,917	–	–	1,346,917	100.00	Co., Ltd

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(i) Subsidiaries (continued)

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the period (unaudited)		Carrying amount at 30 June 2024 (unaudited)	Percentage of the investee's registered capital directly attributable to the Company as at 30 June 2024 (unaudited) (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Railway 25th Bureau Group Co., Ltd.	1,348,597	–	–	1,348,597	100.00	Co., Ltd
China Railway Construction Group Co., Ltd.	2,868,346	–	–	2,868,346	85.64	Co., Ltd
China Railway Construction Electrification Bureau Group Co., Ltd.	1,105,530	–	–	1,105,530	100.00	Co., Ltd
China Railway Construction Real Estate Group Co., Ltd.	7,233,191	–	–	7,233,191	100.00	Co., Ltd
China Railway First Survey and Design Institute Group Co., Ltd.	653,730	–	–	653,730	100.00	Co., Ltd
China Railway Siyuan Survey and Design Group Co., Ltd.	1,607,809	–	–	1,607,809	100.00	Co., Ltd
China Railway Fifth Survey and Design Institute Group Co., Ltd.	338,196	–	–	338,196	100.00	Co., Ltd
China Railway Shanghai Design Institute Group Co., Ltd.	267,624	–	–	267,624	100.00	Co., Ltd
China Railway Material Group Co., Ltd.	3,407,584	–	–	3,407,584	100.00	Co., Ltd
CRCC High-Tech Equipment Corporation Limited	1,714,797	–	–	1,714,797	63.70	Corporation Limited
China Railway Construction Heavy Industry Corporation Limited	4,028,004	–	–	4,028,004	71.93	Corporation Limited
China Railway Construction Business Management Co., Ltd.	28,313	–	–	28,313	100.00	Co., Ltd
China Railway Construction Investment Group Co., Ltd.	10,538,793	–	–	10,538,793	87.34	Co., Ltd
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd.	1,385,891	–	–	1,385,891	100.00	Co., Ltd
CRCC Finance Company Limited	8,460,000	–	–	8,460,000	94.00	Co., Ltd
China Railway Construction Corporation (International) Limited	3,012,602	–	–	3,012,602	100.00	Co., Ltd
China Railway Urban Construction Group Co., Ltd.	2,000,000	–	–	2,000,000	71.69	Co., Ltd
Beijing CRCC Tianrui Machinery Equipment Co., Ltd.	2,000,000	–	–	2,000,000	98.04	Co., Ltd
CRCC Kunlun Investment Group Co., Ltd.	3,600,000	–	–	3,600,000	70.77	Co., Ltd

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(i) Subsidiaries (continued)

RMB'000

Investee	Carrying amount at 31 December 2023	Changes for the period		Carrying amount at 30 June 2024	Percentage of the investee's registered capital directly attributable to the Company as at 30 June 2024 (unaudited) (%)	Category
		Transfer to/ Increase in investment	Decrease in investment			
China Railway Construction Xiong'an Investment Development Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
China Railway Construction Transportation Operation Group Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
CRCC Southern Construction and Investment Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
CRCC South China Investment Co., Ltd.	435,442	–	–	435,442	100.00	Co., Ltd
China Railway Construction South China Construction Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
China Railway Construction Northwest Investment & Construction Co., Ltd.	1,000,000	–	–	1,000,000	100.00	Co., Ltd
China Railway Construction City Construction Investment Co., Ltd.	2,000,000	–	–	2,000,000	100.00	Co., Ltd
China Railway Construction Eastern China Investment & Construction Co., Ltd.	2,000,000	–	–	2,000,000	100.00	Co., Ltd
CRCC International Investment Co., Ltd.	3,000,000	–	–	3,000,000	100.00	Co., Ltd
CRCC Development Group Co., Ltd.	1,498,690	–	–	1,498,690	100.00	Co., Ltd
CRCC North Investment & Construction Co., Ltd.	200,000	–	–	200,000	100.00	Co., Ltd
CRCC Yellow River Investment & Construction Co., Ltd.	1,110,000	–	–	1,110,000	100.00	Co., Ltd
CRCC Capital Holdings Group Co., Ltd.	3,549,871	–	–	3,549,871	100.00	Co., Ltd
China Railway Construction Treasury Management(Hong Kong) Co., Ltd	4,184	–	–	4,184	100.00	Co., Ltd
China Railway Construction Southwest Investment Co., Ltd.	100,000	–	–	100,000	100.00	Co., Ltd
Total	103,305,853	–	–	103,305,853	—	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Other payables

Other payables are disclosed by category:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Payables for advances	9,716,902	10,596,191
Centralised funds payable	2,735,442	2,777,363
Dividends payable	5,911,654	453,598
Guarantees and deposits	236,779	86,212
Others	513,874	514,004
Total	19,114,651	14,427,368

5. Long-term loans

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Credit loans	3,891,276	3,734,276
Total	3,891,276	3,734,276

The maturity profile of the long-term loans as at the balance sheet date is listed as follows:

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Within one year	206,000	406,000
In the second year (inclusive)	810,102	1,189,276
In the third year (inclusive)	1,944,574	1,290,600
Over three years	1,136,600	1,254,400
Total	4,097,276	4,140,276

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Revenue and cost of sales

Revenue is presented as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Revenue from principal operations	5,232,450	3,858,893
Other operating revenue	23,522	303,894
Total	5,255,972	4,162,787

Operating cost is presented as follows:

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Operating cost	5,174,237	3,786,455

7. Finance costs

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Interest expenses	225,923	359,066
Less: Interest income	1,346,537	1,477,692
Exchange losses	32,166	145,076
Bank charges and others	1,110	1,962
Total	(1,087,338)	(971,588)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Investment income

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Investment income received from long-term equity investments under cost method	10,221,586	8,611,723
Others	2,970	3,936
Total	10,224,556	8,615,659

For the six months ended 30 June, 2024, the investment income mentioned above was composed of investment income of RMB377,281,000 (For the Six months ended 30 June, 2023: RMB427,113,000) from listed companies and RMB9,847,275,000 from unlisted companies (For the Six months ended 30 June, 2023: RMB8,188,546,000).

As at 30 June 2024, the remittance of the Company's investment income was not subject to significant restriction.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Reconciliation of net profit to cash flows from operating activities:		
Net profit	11,085,139	9,335,096
Plus: Impairment of credit (gains)/losses	(1,573)	10,428
Impairment losses/(gains) on assets	3,094	(7,905)
Depreciation of fixed assets	17,395	7,324
Amortisation of intangible assets	12,886	10,995
Amortisation of long-term prepayments	1,165	684
Depreciation of right-of-use assets	2,215	16,069
Losses on retirement of fixes assets	638	139
Losses from changes in fair value	5,565	2,505
Finance costs	231,210	496,942
Investment income	(10,224,556)	(8,615,659)
Decrease in deferred tax assets	–	303
Increase in deferred tax liabilities	(6,124)	(4,351)
Decrease in inventories	2,478	2,593
Decrease in contract assets	223,024	751,117
(Increase)/decrease in operating receivables	(977,272)	3,506,543
Increase in operating payables	(1,657,385)	(2,858,371)
Net cash flows (used in)/generated from operating activities	(1,282,101)	2,654,452

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Supplementary information to the statement of cash flows (continued)

(2) Cash and cash equivalents

RMB'000

Item	30 June 2024 (unaudited)	31 December 2023
Cash	28,961,202	20,064,143
Including: Cash with banks/financial institutions without restrictions	28,961,202	20,064,143
Closing balance of cash and cash equivalents	28,961,202	20,064,143

XV. SUPPLEMENTARY INFORMATION

1. Summary of non-recurring profit or loss

RMB'000

Item	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)
Gains from disposal of non-current assets	167,206	51,953
Gains from disposal of long-term equity investments	2,522	(258)
Government grants recognised through profit or loss (other than government grants which are closely related to the Company's normal business operations, and compliant with national policies and regulations, available according to determined requirements, and have a continuous impact on the Company's profit or loss)	220,160	316,594
Net gains from debt restructuring	124,722	56,912
Investment income from holding and disposal of held- for-trading financial assets and other financial assets	206,768	109,353
Investment income from holding the other equity instrument investments	44,254	45,791
Losses on fair value changes	(278,239)	(12,516)
Reversal of impairment of receivables	327,682	296,563
Other non-operating income and expenses other than the above items	134,149	107,518
Impact on income tax	(159,255)	(160,388)
Impact on non-controlling interests (after tax)	(38,538)	(59,997)
Non-recurring profit or loss	751,431	751,525

Notes to the Financial Statements (continued)

For the six months ended 30 June 2024

XV. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share ("EPS")

For the six months ended 30 June 2024 (unaudited):

	Weighted average return on net assets (%)	EPS (RMB) Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	4.19	0.79	0.79
Net profit attributable to the Company's ordinary shareholders after deducting non- recurring profit or loss	3.89	0.73	0.73

For the six months ended 30 June 2023 (unaudited):

	Weighted average return on net assets (%)	EPS (RMB) Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	5.23	0.91	0.91
Net profit attributable to the Company's ordinary shareholders after deducting non- recurring profit or loss	4.91	0.86	0.86

The above weighted average return on equity and earnings per share are calculated in accordance with *Information Disclosure by Companies Offering Securities to the Public No.9 – Calculation and Disclosure of Return on Equity and Earnings Per Share* (Revised in 2010).

Section VIII Financial Report

For the six months ended 30 June 2025

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Ernst & Young Hua Ming [2025] Zhuan Zi No. 70629682_A01
China Railway Construction Corporation Limited

To the shareholders of China Railway Construction Corporation Limited:

We have reviewed the accompanying interim financial statements of China Railway Construction Corporation Limited, which comprised the consolidated and the Company's statements of financial position as at 30 June 2025, the consolidated and the Company's statements of profit or loss, the consolidated and the Company's statements of changes in equity and the consolidated and the Company's statements of cash flows for the six months then ended, and notes to the financial statements (hereinafter collectively referred to as the "Interim Financial Statements"). The preparation of the Interim Financial Statements is the responsibility of the management of China Railway Construction Corporation Limited. Our responsibility is to deliver a report on review of these Interim Financial Statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether the Interim Financial Statements are free from material misstatements. A review is limited primarily to procedures as enquiry of entity's personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements of China Railway Construction Corporation Limited are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises in all material respects.

Ernst & Young Hua Ming LLP
Beijing, China

*Chinese Certified Public Accountant: **Yang Shujuan***

*Chinese Certified Public Accountant: **Chen Baiyi***

29 August 2025

Consolidated Statement of Financial Position

As at 30 June 2025

RMB'000

ASSETS	Note V	30 June 2025 (unaudited)	31 December 2024
Current assets			
Cash and bank balances	1	180,479,468	185,703,115
Held-for-trading financial assets	2	1,555,819	1,533,116
Bills receivable	3	1,823,056	3,225,444
Trade receivables	4	242,072,540	204,759,238
Receivables at fair value through other comprehensive income	5	1,171,261	1,644,048
Advances to suppliers	6	27,095,059	23,110,034
Other receivables	7	71,749,027	65,825,415
Inventories	8	292,975,339	286,116,358
Contract assets	9	360,411,209	304,749,626
Current portion of non-current assets	10	30,471,171	32,284,851
Other current assets	11	39,081,358	35,023,530
Total current assets		1,248,885,307	1,143,974,775
Non-current assets			
Loans and advances to customers	12	1,704,474	1,140,201
Debt investments	13	4,745,173	3,881,575
Long-term receivables	14	155,493,658	142,506,358
Long-term equity investments	15	153,546,444	153,984,400
Other equity instrument investments	16	13,515,468	13,167,797
Other non-current financial assets	17	12,438,217	11,376,122
Investment properties	18	15,773,634	15,981,833
Fixed assets	19	70,906,226	73,028,467
Construction in progress	20	7,248,313	6,812,863
Right-of-use assets	21	7,242,870	7,504,478
Intangible assets	22	128,108,513	117,002,389
Development expenditure		54,383	49,027
Goodwill	23	49,762	49,762
Long-term prepayments		1,129,114	1,103,965
Deferred tax assets	24	12,721,340	12,152,500
Other non-current assets	25	173,072,873	159,126,010
Total non-current assets		757,750,462	718,867,747
TOTAL ASSETS		2,006,635,769	1,862,842,522

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position (continued)

As at 30 June 2025

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	30 June 2025 (unaudited)	31 December 2024
Current liabilities			
Short-term loans	27	211,770,913	150,142,693
Due to customers	28	1,257,698	2,051,298
Bills payable	29	35,835,298	41,316,625
Trade payables	30	538,708,353	512,813,640
Advances from customers		530,731	372,439
Contract liabilities	31	134,150,140	141,649,350
Employee benefits payable	32	13,758,494	16,048,846
Taxes payable	33	5,672,508	8,138,705
Other payables	34	131,503,806	120,304,020
Current portion of non-current liabilities	35	85,197,974	76,507,103
Other current liabilities	36	41,728,295	43,409,640
Total current liabilities		1,200,114,210	1,112,754,359
Non-current liabilities			
Long-term loans	37	282,475,882	235,062,620
Bonds payable	38	32,030,004	32,720,483
Lease liabilities	39	3,855,471	4,197,035
Long-term payables	40	51,749,121	49,835,673
Long-term employee benefits payable		52,101	53,619
Provisions		1,714,047	1,628,540
Deferred income		1,071,132	1,130,936
Deferred tax liabilities	24	2,085,251	1,979,263
Other non-current liabilities		899,488	883,172
Total non-current liabilities		375,932,497	327,491,341
Total liabilities		1,576,046,707	1,440,245,700

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position (continued)

As at 30 June 2025

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED) <i>Note V</i>		30 June 2025 (unaudited)	31 December 2024
Shareholders' equity			
Share capital	41	13,579,542	13,579,542
Other equity instruments	42	71,962,361	64,167,509
Capital reserve	43	47,962,759	47,964,063
Other comprehensive income	44	(1,657,044)	(1,305,778)
Special reserve	45	–	–
Surplus reserve	46	6,789,771	6,789,771
Retained earnings	47	202,502,589	197,055,973
Total equity attributable to owners of the Company		341,139,978	328,251,080
Non-controlling interests		89,449,084	94,345,742
Total shareholders' equity		430,589,062	422,596,822
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,006,635,769	1,862,842,522

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

RMB'000

ITEM	Note V	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Revenue	48	489,199,045	516,136,718
Less: Cost of sales	48	445,937,731	469,070,241
Taxes and surcharges	49	1,473,526	1,561,668
Selling and distribution expenses	50	2,712,168	2,964,103
General and administrative expenses	51	9,239,703	10,235,150
Research and development expenses	52	7,516,476	8,610,730
Finance costs	53	4,265,445	2,958,492
Including: Interest expenses	53	5,795,407	4,201,799
Interest income	53	1,826,595	1,683,522
Add: Other income		326,480	288,889
Investment loss	54	(711,457)	(953,297)
Including: Share of loss of associates and joint ventures		(532,139)	(504,647)
Losses from derecognition of financial assets measured at amortised cost	54	(738,859)	(878,391)
Losses on fair value changes		(193,134)	(278,239)
Impairment of credit losses	55	(1,649,073)	(1,703,619)
Impairment losses on assets	56	(756,672)	(558,173)
Gains on disposal of assets		49,040	167,206
Operating profit		15,119,180	17,699,101
Add: Non-operating income	57	602,415	483,766
Less: Non-operating expenses	58	368,141	321,831
Profit before tax		15,353,454	17,861,036
Less: Income tax expenses	60	2,791,503	2,902,778
Net profit		12,561,951	14,958,258
Classified by the continuity of operation			
Net profit from continuing operations		12,561,951	14,958,258
Classified by the ownership			
Net profit attributable to owners of the Company		10,701,474	11,902,158
Net profit attributable to non-controlling interests		1,860,477	3,056,100

The accompanying notes form part of the financial statements.

Consolidated Statement of Profit or Loss (continued)

For the six months ended 30 June 2025

RMB'000

ITEM	Note V	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Other comprehensive income, net of tax	44	(373,795)	(3,492)
Other comprehensive income attributable to owners of the Company, net of tax		(351,266)	(63,693)
Other comprehensive income not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		(80,448)	49,888
Other comprehensive income to be reclassified to profit or loss			
Shares of other comprehensive income that will be reclassified subsequently into profit or loss by the investee under equity method		(86,353)	2,320
Changes in fair value of receivables at fair value through other comprehensive income		1,167	(3,519)
Changes in fair value of other debt investments		(894)	(7,651)
Exchange differences on translation of foreign operations		(184,738)	(104,731)
Other comprehensive income attributable to non-controlling interests, net of tax	44	(22,529)	60,201
Total comprehensive income		12,188,156	14,954,766
Including:			
Total comprehensive income attributable to owners of the Company		10,350,208	11,838,465
Total comprehensive income attributable to non-controlling interests		1,837,948	3,116,301
Earnings per share:			
Basic earnings per share	61	0.70	0.79
Diluted earnings per share	61	0.70	0.79

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

RMB'000

ITEM	For the six months ended 30 June 2025 (unaudited)									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2024	13,579,542	64,167,509	47,964,063	(1,305,778)	-	6,789,771	197,055,973	328,251,080	94,345,742	422,596,822
II. Increase/(decrease) during the period	-	7,794,852	(1,304)	(351,266)	-	-	5,446,616	12,888,898	(4,896,658)	7,992,240
(I) Total comprehensive income	-	-	-	(351,266)	-	-	10,701,474	10,350,208	1,837,948	12,188,156
(II) Capital contributions and withdrawals by shareholders	-	7,794,852	(1,304)	-	-	-	-	7,793,548	(4,832,152)	2,961,396
1. Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	(4,832,152)	(4,832,152)
2. Capital contributions and withdrawals by other equity instrument holders (Note V.42)	-	7,794,852	(1,304)	-	-	-	-	7,793,548	-	7,793,548
(III) Profit distribution	-	-	-	-	-	-	(5,254,858)	(5,254,858)	(1,902,454)	(7,157,312)
1. Distribution to shareholders (Note V.47)	-	-	-	-	-	-	(5,254,858)	(5,254,858)	(1,902,454)	(7,157,312)
(IV) Special reserve (Note V.45)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	8,411,377	-	-	8,411,377	-	8,411,377
2. Used in current period	-	-	-	-	(8,411,377)	-	-	(8,411,377)	-	(8,411,377)
III. As at 30 June 2025	13,579,542	71,962,361	47,962,759	(1,657,044)	-	6,789,771	202,502,589	341,139,978	89,449,084	430,589,062

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2025

RMB'000

ITEM	For the six months ended 30 June 2024 (unaudited)									
	Equity attributable to owners of the Company								Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. As at 31 December 2023	13,579,542	59,463,430	48,847,173	(667,494)	-	6,789,771	181,825,095	309,837,517	107,282,256	417,119,773
II. Increase/(decrease) during the period	-	1,199,120	(317,867)	(35,313)	-	-	5,910,810	6,756,750	(9,819,847)	(3,063,097)
(I) Total comprehensive income	-	-	-	(63,693)	-	-	11,902,158	11,838,465	3,116,301	14,954,766
(II) Capital contributions and withdrawals by shareholders	-	1,199,120	(317,867)	-	-	-	-	881,253	(10,427,605)	(9,546,352)
1. Capital contributions and withdrawals by shareholders	-	-	(383,324)	-	-	-	-	(383,324)	(11,623,187)	(12,006,511)
2. Capital contributions by other equity instrument holders	-	1,199,120	(918)	-	-	-	-	1,198,202	-	1,198,202
3. Equity transactions with non-controlling interests	-	-	66,375	-	-	-	-	66,375	1,195,582	1,261,957
(III) Profit distribution	-	-	-	-	-	-	(5,962,968)	(5,962,968)	(2,508,543)	(8,471,511)
1. Distribution to shareholders	-	-	-	-	-	-	(5,962,968)	(5,962,968)	(2,508,543)	(8,471,511)
(IV) Special reserve	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	8,757,149	-	-	8,757,149	-	8,757,149
2. Used in current period	-	-	-	-	(8,757,149)	-	-	(8,757,149)	-	(8,757,149)
(V) Others	-	-	-	28,380	-	-	(28,380)	-	-	-
III. As at 30 June 2024	13,579,542	60,662,550	48,529,306	(702,807)	-	6,789,771	187,735,905	316,594,267	97,462,409	414,056,676

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

RMB'000

ITEM	Note V	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
1. Cash Flows from Operating Activities:			
Cash received from the sale of goods or rendering of services		478,085,920	496,064,021
Refunds of tax		768,347	933,485
Net decrease in due to customers and due to banks		(793,600)	(80,357)
Cash received from other operating activities	62	12,606,614	10,039,124
Subtotal of cash inflows from operating activities		490,667,281	506,956,273
Cash paid for goods and services		503,390,323	519,838,813
Net increase in loans and advances to customers		585,723	47,180
Net decrease in balances with the central bank		(120,826)	(16,680)
Cash paid to and on behalf of employees		39,490,957	41,808,029
Payments of various types of taxes		14,788,206	14,325,018
Cash paid for other operating activities	62	11,990,156	12,630,196
Subtotal of cash outflows from operating Activities		570,124,539	588,632,556
Net cash flows generated from operating activities	63	(79,457,258)	(81,676,283)
2. Cash Flows from Investing Activities:			
Cash received from disposal of investments		2,156,294	10,504,732
Cash received from investment income		1,796,475	757,597
Net cash received from disposal of fixed assets, intangible assets and other long term assets		1,099,487	720,373
Cash received from other investing activities		245,033	1,947,088
Subtotal of cash inflows from investing activities		5,297,289	13,929,790
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		20,460,602	17,960,099
Cash paid for acquisition of investments		9,508,017	15,838,860
Cash paid for other investing activities		1,316,584	1,109,220
Subtotal of cash outflows from investing activities		31,285,203	34,908,179
Net cash flows generated from investing activities		(25,987,914)	(20,978,389)

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2025

RMB'000

ITEM	Note V	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
3. Cash Flows from Financing Activities:			
Cash received as capital contributions		13,612,442	4,452,804
Including: Cash received from non-controlling shareholders of subsidiaries		3,615,442	1,454,602
Cash received from issuing bonds		9,423,284	5,175,000
Cash received from borrowings		289,615,755	240,379,857
Cash received from other financing activities		896,696	1,158,500
Subtotal of cash inflows from financing activities		313,548,177	251,166,161
Cash repayments for borrowings		188,125,702	131,948,845
Cash paid for distribution of dividends or profits and for interest expenses		10,663,526	10,464,440
Including: Cash paid to non-controlling shareholders for distribution of dividends and profits by subsidiaries		1,739,660	2,323,200
Cash paid for other financing activities	62	13,278,360	13,420,939
Subtotal of cash outflows from financing activities		212,067,588	155,834,224
Net cash flows generated from financing activities		101,480,589	95,331,937
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		264,465	(550,674)
5. NET DECREASE IN CASH AND CASH EQUIVALENTS	63	(3,700,118)	(7,873,409)
Add: Cash and cash equivalents at beginning of the period	63	167,371,620	152,637,777
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	63	163,671,502	144,764,368

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

The Company's Statement of Financial Position

As at 30 June 2025

RMB'000

ASSETS	Note XV	30 June 2025 (unaudited)	31 December 2024
Current assets			
Cash and bank balances		33,776,276	21,295,569
Held-for-trading financial assets		66,501	66,354
Trade receivables	1	3,513,906	2,872,095
Advances to suppliers		498,255	551,249
Other receivables	2	22,045,384	23,623,723
Inventories		1,830	–
Contract assets		522,477	588,734
Current portion of non-current assets		30,709,300	10,452,593
Other current assets		159,902	143,782
Total current assets		91,293,831	59,594,099
Non-current assets			
Long-term receivables		35,969,540	53,648,716
Long-term equity investments	3	105,611,468	105,332,868
Other equity instrument investments		405,052	408,721
Fixed assets		310,362	329,627
Construction in progress		335,538	298,706
Right-of-use assets		1,125	6,379
Intangible assets		165,390	178,554
Long-term prepayments		3,875	4,249
Other non-current assets		2,696,405	2,842,173
Total non-current assets		145,498,755	163,049,993
TOTAL ASSETS		236,792,586	222,644,092

The accompanying notes form part of the financial statements.

The Company's Statement of Financial Position (continued)

As at 30 June 2025

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note XV	30 June 2025 (unaudited)	31 December 2024
Current liabilities			
Short-term loans		2,000,000	2,900,000
Trade payables		8,042,119	7,462,582
Contract liabilities		348,426	703,869
Employee benefits payable		152,092	139,080
Taxes payable		6,971	9,973
Other payables		13,356,087	10,180,529
Current portion of non-current liabilities		885,121	888,427
Other current liabilities		536,222	504,364
Total current liabilities		25,327,038	22,788,824
Non-current liabilities			
Long-term loans		4,608,074	3,710,074
Bonds payable		5,995,359	5,995,194
Lease liabilities		–	3,799
Long-term payables		6,830,201	7,208,654
Long-term employee benefits payable		3,413	3,454
Deferred tax liabilities		43,013	49,470
Total non-current liabilities		17,480,060	16,970,645
Total liabilities		42,807,098	39,759,469
Shareholders' equity			
Share capital		13,579,542	13,579,542
Other equity instruments		71,962,359	64,167,509
Capital reserve		46,841,728	46,843,032
Other comprehensive income		137,795	140,547
Surplus reserve		6,789,771	6,789,771
Retained earnings		54,674,293	51,364,222
Total shareholders' equity		193,985,488	182,884,623
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		236,792,586	222,644,092

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

The Company's Statement of Profit or Loss

For the six months ended 30 June 2025

RMB'000

ITEM	Note XV	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
Revenue	4	3,268,412	5,255,972
Less: Cost of sales	4	3,189,778	5,174,237
Taxes and surcharges		2,379	1,266
Selling and distribution expenses		17,766	17,519
General and administrative expenses		312,945	274,669
Research and development expenses		72	17,890
Finance costs		(1,016,701)	(1,087,338)
Including: Interest expenses		267,611	225,923
Interest income		1,336,303	1,346,537
Add: Other income		2,083	6,127
Investment income	5	7,814,951	10,224,556
Gains/losses on fair value changes		147	(5,565)
Impairment of credit losses		(7,077)	1,573
Impairment losses on assets		(11,758)	(3,094)
Gains on disposal of assets		109	–
Operating profit		8,560,628	11,081,326
Add: Non-operating income		172	61
Less: Non-operating expenses		1,411	2,372
Profit before tax		8,559,389	11,079,015
Less: Income tax expenses		(5,540)	(6,124)
Net profit		8,564,929	11,085,139
Including: Net profit from continuing operations		8,564,929	11,085,139
Other comprehensive income, net of tax		(2,752)	39,717
Other comprehensive income not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		(2,752)	39,717
Total comprehensive income		8,562,177	11,124,856

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

The Company's Statement of Changes in Equity

For the six months ended 30 June 2025

RMB'000

ITEM	For the six months ended 30 June 2025 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2024	13,579,542	64,167,509	46,843,032	140,547	-	6,789,771	51,364,222	182,884,623
II. Increase/(decrease) during the period	-	7,794,850	(1,304)	(2,752)	-	-	3,310,071	11,100,865
(I) Total comprehensive income	-	-	-	(2,752)	-	-	8,564,929	8,562,177
(II) Capital contributions and withdrawals by shareholders	-	7,794,850	(1,304)	-	-	-	-	7,793,546
1. Capital contributions by other equity instrument holders	-	7,794,850	(1,304)	-	-	-	-	7,793,546
(III) Profit distribution	-	-	-	-	-	-	(5,254,858)	(5,254,858)
1. Distribution to shareholders	-	-	-	-	-	-	(5,254,858)	(5,254,858)
(IV) Special reserve	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	88,977	-	-	88,977
2. Used in current period	-	-	-	-	(88,977)	-	-	(88,977)
III. As at 30 June 2025	13,579,542	71,962,359	46,841,728	137,795	-	6,789,771	54,674,293	193,985,488

The accompanying notes form part of the financial statements.

The Company's Statement of Changes in Equity (continued)

For the six months ended 30 June 2025

RMB'000

ITEM	For the six months ended 30 June 2024 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. As at 31 December 2023	13,579,542	59,463,430	46,857,956	64,440	-	6,789,771	44,765,270	171,520,409
II. Increase/(decrease) during the period	-	1,199,120	(918)	39,717	-	-	5,122,171	6,360,090
(I) Total comprehensive income	-	-	-	39,717	-	-	11,085,139	11,124,856
(II) Capital contributions and withdrawals by shareholders	-	1,199,120	(918)	-	-	-	-	1,198,202
1. Capital contributions by other equity instrument holders	-	1,199,120	(918)	-	-	-	-	1,198,202
(III) Profit distribution	-	-	-	-	-	-	(5,962,968)	(5,962,968)
1. Distribution to shareholders	-	-	-	-	-	-	(5,962,968)	(5,962,968)
(IV) Special reserve	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	72,647	-	-	72,647
2. Used in current period	-	-	-	-	(72,647)	-	-	(72,647)
III. As at 30 June 2024	13,579,542	60,662,550	46,857,038	104,157	-	6,789,771	49,887,441	177,880,499

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

The Company's Statement of Cash Flows

For the six months ended 30 June 2025

RMB'000

ITEM	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
1. Cash Flows from Operating Activities:		
Cash received from the sale of goods or rendering of services	5,131,645	6,529,297
The tax refund received	59	–
Cash received from other operating activities	9,855,915	11,022,502
Subtotal of cash inflows from operating activities	14,987,619	17,551,799
Cash paid for goods and services	5,664,862	6,397,671
Cash paid to and on behalf of employees	179,802	177,040
Cash paid for all taxes	12,568	10,421
Cash paid for other operating activities	9,903,295	12,248,768
Subtotal of cash outflows from operating activities	15,760,527	18,833,900
Net cash flows generated from operating activities	(772,908)	(1,282,101)
2. Cash Flows from Investing Activities:		
Cash received from investment income	6,570,646	6,840,698
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	1
Cash received from other investing activities	66,855	–
Subtotal of cash inflows from investing activities	6,637,501	6,840,699
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	47,496	34,912
Cash paid for acquisition of investments	278,600	1,449
Subtotal of cash outflows from investing activities	326,096	36,361
Net cash flows generated from investing activities	6,311,405	6,804,338

The accompanying notes form part of the financial statements.

The Company's Statement of Cash Flows (continued)

For the six months ended 30 June 2025

RMB'000

ITEM	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)
3. Cash Flows from Financing Activities:		
Cash received as capital contributions	9,997,000	2,998,202
Cash received from borrowings	6,900,000	10,226,800
Subtotal of cash inflows from financing activities	16,897,000	13,225,002
Cash repayments for borrowings	7,105,184	7,358,900
Cash paid for distribution of dividends or profits and for interest expenses	697,330	693,841
Cash paid for other financing activities	2,201,559	1,803,226
Subtotal of cash outflows from financing activities	10,004,073	9,855,967
Net cash flows generated from financing activities	6,892,927	3,369,035
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(49,200)	5,787
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	12,382,224	8,897,059
Add: Opening balance of cash and cash equivalents	21,980,426	20,064,143
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	34,362,650	28,961,202

The financial statements have been signed by:

Chairman of the Company
Dai, Hegen

CFO
Zhu, Hongbiao

Head of the Finance Department
Wang, Lei

The accompanying notes form part of the financial statements.

Notes to the Financial Statements

For the six months ended 30 June 2025

I. CORPORATE INFORMATION

China Railway Construction Corporation Limited (the “Company”) is a joint stock limited company with limited liability registered in Beijing in the People’s Republic of China (the “PRC” or “Mainland China”) on 5 November 2007. The Company’s shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered address of the Company’s head office is East No. 40 Fuxing Road, Haidian District, Beijing, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly consist of construction operations, plan, design and consultancy operations, trade and logistics, manufacturing operations and real estate development operations.

China Railway Construction Corporation, a company registered in PRC, is the parent company of the Company and the State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”) is the ultimate controlling party of the Company.

These financial statements have been approved and authorised for issue by the board of directors of the Company on 29 August 2025.

The consolidation scope of the consolidated financial statements is determined based on control. The changes in the consolidation scope for this period are detailed in Notes VII. There are no significant subsidiaries newly included in the consolidation scope for this period, and there are no new significant subsidiaries that are no longer included in the consolidation scope.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. *Basis of preparation*

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, interpretations, other relevant regulations issued subsequently by the Ministry of Finance (the “MOF”) (hereinafter collectively referred to as “ASBEs”). In addition, the financial statements also disclose relevant financial information in accordance with the Rules No. 15 for the Preparation of Information Disclosure by Companies Offering Securities to the Public – General Provisions on Financial Reports.

In accordance with the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong issued by the Hong Kong Stock Exchange in December 2010, the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents issued by the Ministry of Finance and China Securities Regulatory Commission (“CSRC”), the Company ceased to provide financial reports prepared in accordance with Accounting Standards for Business Enterprises and International Financial Reporting Standards separately to A-share shareholders and H-share shareholders from the year of 2011 with the approval made in the Company’s general meeting of shareholders. Instead, the Company provides all shareholders with financial reports solely prepared in accordance with China Accounting Standards, taking into account the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in preparing such financial reports.

The Group has adopted accrual basis for accounting measurement. The financial statements have been presented under the historical cost, except for certain financial assets which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

2. *Going concern*

These financial statements have been prepared on a going concern basis.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and accounting estimates, including measurement of expected credit losses on receivables and contract assets, the measurement of inventories, the provisions for decline in value of inventories, the depreciation methods and the depreciation rates of the fixed assets, the amortisation methods of the intangible assets, the method of long-term assets impairment testing, and the policy for revenue recognition and measurement of revenue etc.

1. *Statement of compliance with Accounting Standards for Business Enterprises*

These financial statements are in compliance with the ASBEs to truly and completely reflect the Group's and the Company's financial position as at 30 June 2025 and operating results and cash flows for the six months ended 30 June 2025.

2. *Accounting period*

The accounting year of the Group is from 1 January to 31 December of each calendar year. The reporting period of these financial statements is from 1 January, 2025 to 30 June, 2025.

3. *Functional currency*

These financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency. Except as otherwise indicated, all amounts are presented in thousands of RMB.

The Subsidiaries, joint ventures, and associates under the Company may determine their own functional currencies based on their specific economic environments and adopts RMB to prepare their financial statements.

4. *Determination method for materiality criterion and basis for selection*

The Group applies the principle of materiality to prepare and present financial statements. An item is material if it is reasonably expected that the omission or misstatement of the item in the financial statements would affect the economic decision made by the user accordingly. When judging the materiality, the Group determined whether the item is material from two aspects, the nature of the item (whether it arises from the Group's normal activities, whether it materially affects the Group's financial position, financial performance and cash flows, etc. and the amount of the item (the proportion of the amount to the Group's key financial indicator, including revenue, cost of sales, net profit, total assets, total liabilities, total shareholders' equity or the proportion to the amount of specific line item).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. *Business combinations*

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

A business combination under the same control is a business combination in which the enterprises participating in the combination are ultimately controlled by the same party or the same parties before and after the combination, and the control is not temporary. The assets and liabilities acquired by the combining party in a business combination under common control (including goodwill arising from the acquisition of the combined party by the ultimate controlling party) shall be accounted for on the basis of the carrying amount in the financial statements of the ultimate controlling party on the combination date. The difference between the book value of the net assets obtained by the combining party and the book value of the combination consideration paid (or the total face value of the shares issued) shall be adjusted to the share premium in the capital reserve. If it is insufficient to offset, the retained earnings shall be adjusted.

A business combination not involving enterprises under common control is a business combination in which the enterprises participating in the combination are not ultimately controlled by the same party or the same parties before and after the combination. Identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a business combination not involving enterprises under common control are measured at fair value on the acquisition date. The difference between the combination cost and the acquiree's share of the fair value of the acquiree's identifiable net assets acquired in the combination is recognized as goodwill and subsequently measured at cost less accumulated impairment losses. If the combination cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the combination, the measurement of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree obtained and the combination cost shall be reviewed. If the combination cost is still less than the fair value share of the identifiable net assets of the acquiree obtained in the combination after the review, the difference shall be included in the current profit and loss.

6. *Consolidated financial statements*

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. Subsidiary refers to the entity controlled by the company (including the divisible parts of the enterprises, the invested units, and the structured entities controlled by the company, etc). An investor is able to control the investee if and only if it has power over the investee, has variable returns for participating in the investee's activities, and has the ability to use its power over the investee to influence the amount of its returns.

In the preparation of the consolidated financial statements, where the accounting policies of a subsidiary are different from those of the Company have made adjustments to the financial statements of the subsidiary based on the Company's own accounting policies; where the accounting period of a subsidiary is different from that of the Company, the Company has adjusted the financial statements of the subsidiary based on the Company's own accounting period. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Consolidated financial statements (Continued)

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

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

Without loss of control, a change in minority shareholders' interests is treated as an equity transaction.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights related to administrative tasks only. The relevant activities of a structured entity are directed by means of contractual agreements. When the Group acts as an asset manager in a structured entity, the Group is required to determine whether it is exercising decision-making rights as a principal or an agent in the structured entities. If the Group (as an asset manager) is only acting as an agent, it exercises decision-making rights on behalf of the principal (other investors of the structured entities) and does not control the structured entities. If the Group (as an asset manager) is exercising decision-making rights on its own behalf, it is the principal and controls the structured entities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. *Classification of joint arrangement and joint operation*

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint operator recognises the following items in relation to its interest in a joint operation: its solely-held assets and its share of any assets held jointly; its solely-assumed liabilities and its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its solely-incurred expenses and its share of any expenses incurred jointly.

8. *Cash and cash equivalents*

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Foreign currency transactions and foreign currency translations*

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rate ruling at the balance sheet date, but the capital invested by the investor in the foreign currency is converted at the spot exchange rate on the date of the transaction. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the exchange rate used at the time of initial recognition and do not change the amounts of functional currency. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates functional currencies of overseas financial statements into RMB financial statements. All assets and liabilities are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the spot exchange rates ruling at the transaction dates; revenue and expense items in the income statement are translated using the average exchange rate for the period during which the transactions occur (unless it is not appropriate to use such exchange rate to translate as a result of the exchange rate changes, such items will be translated using the spot exchange rate at the transaction date). Exchange differences arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to profit or loss in the same period, partial disposal is calculated based on the ratio of the disposal.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated using the average exchange rate for the period during which the cash flows occur (Unless it is not appropriate to use such exchange rate to translate as a result of the exchange rate changes, such items will be translated at the spot exchange rate prevailing on the date when the cash flows incurred). The effect of changes in exchange rates on cash and cash equivalents are presented as a reconciled item separately in the statement of cash flows.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. *Financial instruments*

Financial instruments refer to contracts that create a financial asset for one entity and a financial liability or equity instrument for another.

(1) **Recognition and derecognition of financial instruments**

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- (i) the rights to receive cash flows from the financial asset have expired; or
- (ii) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets under contracts whose terms require delivery within the time frame generally established by regulation or convention in the marketplace concerned. The trade date is the date that the Group committed to purchase or sell a financial asset.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(2) Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

The subsequent measurement of financial assets depends on their classification as follows:

Debt investments measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

The subsequent measurement of financial assets depends on their classification as follows:
(Continued)

Debt investments at fair value through other comprehensive income

The Group measures debt investment held at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Equity investments at fair value through other comprehensive income

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no impairment allowance is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

The subsequent measurement of financial assets depends on their classification as follows:
(Continued)

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Only when accounting mismatches can be eliminated or significantly reduced, can financial assets be designated as financial assets measured at fair value with changes recognized in current profit or loss at the initial measurement.

When a company designates a financial asset as a financial asset measured at fair value with changes recognized in current profit or loss at initial recognition, the financial asset cannot be reclassified as another category of financial asset. Other categories of financial assets cannot be reclassified as financial assets measured at fair value with changes recognized in current profit or loss after initial recognition.

(3) Classification and measurement of financial liabilities

Except for the financial guarantee contracts issued and the financial liabilities caused by financial assets that do not qualify for derecognition or by continuing involvement in transferred assets, the Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities at amortised cost. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to financial liabilities at amortised cost are included in the initial recognition amounts.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(3) Classification and measurement of financial liabilities (Continued)

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments that are financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Financial liabilities can only be designated as financial liabilities measured at fair value with changes in fair value recognized in profit or loss at the initial measurement if one of the following conditions is met:

- (1) Can eliminate or significantly reduce accounting mismatches;
- (2) The formal written document for risk management or investment strategy has stated that the financial instrument portfolio is managed, evaluated, and reported to key management personnel based on fair value;

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(3) Classification and measurement of financial liabilities (Continued)

The subsequent measurement of financial liabilities depends on their classification as follows:
(Continued)

Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities can only be designated as financial liabilities measured at fair value with changes in fair value recognized in profit or loss at the initial measurement if one of the following conditions is met: (Continued)

- (3) A hybrid instrument containing one or more embedded derivative instruments, unless the embedded derivative instruments do not significantly change the cash flows of the hybrid instrument, or the embedded derivative instruments should not be separated from the relevant hybrid instrument;
- (4) A mixed instrument that includes embedded derivative instruments that need to be separated but cannot be separately measured at the time of acquisition or subsequent balance sheet dates.

When a company designates a financial liability as a financial liability measured at fair value with changes recognized in current profit or loss at initial recognition, the financial liability cannot be reclassified as another category of financial liability. Other categories of financial liabilities cannot be reclassified as financial liabilities measured at fair value with changes recognized in profit or loss after initial recognition.

Financial liabilities at amortised cost

For such financial liabilities, the effective interest rate method is adopted and the subsequent measurement is carried out according to the amortized cost.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(4) Impairment of financial instruments

Based on the expected credit losses (“ECLs”), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, lease receivables, contract assets, and financial guarantee contracts.

For accounts receivable and contract assets excluding significant financing components, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

For accounts receivable and contract assets including significant financing components and lease receivable, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above, the Group assesses whether the credit risks of other financial assets and financial guarantee contracts has increased significantly since initial recognition at each end of the reporting period. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the end of the reporting period, the Group assumes that the credit risk has not increased significantly since initial recognition.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

The Group's judgement criteria for a significant increase of credit risk and the definition of credit-impaired assets are disclosed in Note IX. 1.

The factors reflected in the Group's method of measuring the expected credit losses of financial instruments include: the unbiased probability weighted average amount determined by evaluating a series of possible results, the time value of money, and the reasonable and reliable information about past events, current conditions and future economic conditions that can be obtained without unnecessary extra costs or efforts on the balance sheet date.

Categories of groups for Impairment provision based on credit risk characteristics and the basis for their determination

The Group has assessed the expected credit losses of trade receivables, contract assets and long-term receivables by considering the credit risk characteristics of different customers, grouping them based on common risk factors and forming multiple portfolios (including state-owned enterprises and public institutions, domestic railway project customers, overseas project customers, customers with related party relationships and other types of customers), while also incorporating the aging analysis of trade receivables, contract assets and long-term receivables; the Group has assessed the expected credit losses of other receivables by considering the credit risk characteristics of different customers, grouping them based on common risk factors and forming multiple portfolios (including related parties and other external units which are taken nature of amounts into comprehensive accounts), while also incorporating the aging analysis of other receivables.

Aging calculation method based on the identification of credit risk characteristic portfolios

The Group calculates the aging based on the time point of project settlement, and calculates overdue aging based on the agreed payment date in the contract.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

The criteria for determining individual impairment provisions

If the credit risk characteristics of a counterparty are significantly different from those of other counterparties in the portfolio, the receivables from that counterparty should be subject to individual impairment loss provisions.

Written off of impairment allowance

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of a financial asset, the Group directly writes down the carrying amount of the financial asset.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. *Financial instruments (Continued)*

(6) **Financial guarantee contracts**

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for ECLs at the balance sheet date, and (ii) the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

(7) **Derivative financial instruments**

The Group uses derivative financial instruments. Derivative financial instruments are measured at its fair value at the transaction date at initial recognition and measured at fair value subsequently. Derivative financial instruments with positive fair value would be recognized as assets while those with negative fair value would be recognized as liabilities.

The gain or loss arising from changes in fair value of derivative financial instruments is recognized in profit or loss, except for those related to hedge accounting.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. *Financial instruments (Continued)*

(8) **Transfer of financial assets**

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. *Inventories*

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties held for sale. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, expenditures of land development, construction costs, infrastructure costs, costs of supporting facilities and other relevant costs.

Inventories are initially measured at actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined using the first-in first-out, weighted average or specific identification method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised using immediate write-off. Other turnover materials are amortised based upon numbers of usage.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realisable value. If the cost is in excess of net realisable value, provision for inventories is recognised in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the profit or loss for the current period.

Net realisable value is the estimated selling price under normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. *Held-for-sale assets*

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (including an exchange of nonmonetary assets with commercial substance) rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognised before being classified to held-for-sale category is not reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the acquirer's share of the carrying value of shareholder's equity of the party being absorbed at the combination date. For the difference between the initial investment cost and the book value of the merger consideration, the capital reserve shall be adjusted (if it is not enough to offset, the retained earnings shall be offset). For a long-term equity investment through a business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of combination (for a business combination not involving entities under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date). For a long-term equity investment acquired otherwise than through a business combination, the initial investment cost is determined as follows: for a long-term equity investment acquired by cash, the initial investment cost is the actual purchase price paid and direct costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued.

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Long-term equity investments (Continued)

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

The equity method is adopted when the Group has joint control, or exercises significant influence over the investee. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control with other parties over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after it has acquired a long-term equity investment, the Group recognises its share of the investee's profit or loss, as well as its share of the investee's other comprehensive income, as investment income or loss and other comprehensive income, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's profit or loss after making appropriate adjustments to the investee's profit or loss based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods. Unrealised profits and losses from transactions with its joint ventures and associates are eliminated to the extent of the Group's investments in the associates or joint ventures (except for assets that constitute a business). However, any loss arising from such transactions which are attributable to an impairment loss shall be recognised at its entirety. The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. The Group's share of the investee's equity changes, other than those arising from the investee's profit or loss, other comprehensive income or profit distribution, is recognised in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. *Investment properties*

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out; land use rights held for transfer upon capital appreciation; and buildings that are leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment real estate is disposed of or permanently retired from use and no economic benefits are expected from its disposal, the investment real estate shall be derecognised.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss or the cost of related assets as incurred according to the beneficiaries.

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

The accelerated depreciation method is adopted for depreciation of the fixed assets specifically used for research and development. The unit of production method is adopted for the depreciation of part of the large-scaled construction equipment. For other fixed assets, the straight-line method is adopted.

For fixed assets depreciated with the straight-line method, the estimated useful lives, estimated residual value rates and annual depreciation rates by category are as follows:

	Useful lives	Estimated residual value rates	Annual depreciation rates
Buildings	20-35年	5%	2.71%-4.75%
Machinery	10-25年	5%	3.80%-9.50%
Vehicles	5-10年	5%	9.50%-19.00%
Production equipment	5-10年	5%	9.50%-19.00%
Measuring and testing equipment	5年	5%	19.00%
Others	3-5年	5%	19.00%-31.67%

Where the individual component parts of a fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at the end of each year, makes adjustments and accounts for any changes when necessary.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Construction in progress

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowings before the asset is ready for its intended use, and other related expenditures during the period of construction.

The timing and criteria of construction in progress to be ready for its intended use are as follows:

	Standards for transferring
Buildings	Completion and acceptance
Machinery and equipment	Completion of installation and acceptance

17. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Other borrowing costs are included in current profit and loss.

The capitalisation of borrowing costs commences only when the expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows: where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; or where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. *Intangible assets*

(1) **Useful Lives of Intangible Assets**

The Group's intangible assets include land use rights, concession rights, software licenses, mining rights and others.

An intangible asset shall be recognised only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination involving entities not under common control with a fair value that can be measured reliably are recognised separately as intangible assets and measured at fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the traffic volume basis, straight-line basis or unit of production basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each year end.

Land use rights

Land use rights represent costs incurred for a certain lease period of land.

The Group accounts for its land use rights as intangible assets. The land use rights of self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortised on the straight-line basis according to the useful lives approved in the obtained land use certificates.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Intangible assets (Continued)

(1) Useful Lives of Intangible Assets (Continued)

Concession rights

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and other construction works) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority, or the Group purchases the concession rights directly.

The amortisation approach, either the traffic volume method or the straight-line method, should be selected for concession operation projects obtained through participation in the construction of expressways based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations. The concession rights obtained through participation in other construction projects are amortized over the expected operating period using the straight-line method.

Software licenses

The software licenses are recorded at the price actually paid upon acquisition and are amortised equally over the estimated useful life of one to ten years.

Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortisation is calculated in adoption of the unit of production method based on proved mining reserves.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. *Intangible assets (Continued)*

(2) **Development expenditure**

Collection scope of R&D expenditure includes wages, salaries and benefits of personnel directly engaged in R&D activities; expenses of materials, fuel and power directly consumed by R&D activities; depreciation expenses of instruments and equipment of R&D activities; leasing and maintenance expenses of R&D sites; travel, transportation and communication fee required by research and test development; as well as the entrusted development expenditure, etc.

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalised when the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. *Impairment of assets*

The Group determines the impairment of assets, other than the impairment of inventories, contract assets and assets related to the costs incurred in fulfilling a contract, deferred tax assets, financial assets, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and an intangible asset with an indefinite useful life and intangible assets that have not been ready for intended use are tested for impairment at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow estimated to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill is allocated from the acquisition date on a reasonable basis to each of the related asset groups or the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

The carrying amount of the related asset group or set of asset groups to which goodwill has been allocated for impairment is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent periods.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Long-term prepayments

Long-term prepayments represent expenditures incurred which should be recognised as expenses over one year and should be allocated in current and subsequent periods, including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortised on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognised in profit or loss immediately as incurred.

21. Employee benefits

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. Employee benefits also include the benefits the Group provided to employees' spouses, children, dependent, and families of deceased employees and other beneficiaries.

(1) Short-term benefits

In the period of employee services, short-term benefits are actually recognised as liabilities and charged to profit or loss or the related costs of assets for the current period.

(2) Post-employment benefits (defined contribution plans)

If employees of the Group participate in the basic pension insurance and unemployment insurance plans managed by local governments and participate in the supplementary pension insurance of the Group as well, the relevant expenditures are recorded in the relevant capital costs and expenses in the period when incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Employee benefits (Continued)

(3) Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured using the projected cumulative unit credit method.

Any re-measurement caused by the defined benefit plans, including actuarial gains or losses, is recognised in the statement of financial position immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be reversed to profit or loss in the subsequent accounting periods.

The past service costs should be recognised as current expenses at the earlier of the following dates: (1) when the Group modifies the defined benefit plans; and (2) when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognised changes in the net defined benefit obligation as general and administrative expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

(4) Termination benefits

The Group recognises a liability and expenses for termination benefits at the earlier of the following dates: (1) when the Group can no longer unilaterally withdraw the offer of those benefits for proposals or suggestions for termination of employment; and (2) when the Group recognises costs or expenses for restructuring and involves the payment of termination costs or expenses.

The termination benefits expected to be settled within one year since the balance sheet date are classified as current liabilities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. *Provisions*

Except for contingent liabilities assumed in business combinations involving entities not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (i) the obligation is a present obligation of the Group;
- (ii) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (iii) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

23. *Other equity instruments*

The renewable corporate bonds and other financial instruments issued by the Group shall be classified as equity instruments if no contractual obligations of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavourable.

For renewable corporate bonds and other financial instruments classified as equity instruments, distribution of interest and dividends are recognised into distribution of equity. Its repurchase and cancellation are recognised as changes of equity and transaction costs related to equity transactions are deducted from equity.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. *Revenue from contracts with customers*

The Group shall recognize revenue when the Group satisfies a performance obligation in the contract, that is when the customer obtains control over relevant goods or services. Control over the relevant goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods or services.

24.1 Revenue from construction contract

The revenue from construction contracts between the Group and the customer usually includes performance obligations of housing construction and infrastructure construction. Because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Group uses the input method and determines the progress towards the complete satisfaction of the rendering of services on the basis of costs incurred. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

24.2 Revenue from sales of real estate

Revenue from the Group's property development business is recognised when control of the property is transferred to the customer. Generally, revenue is recognised at a point in time after taking into account the following factors: the acquisition of the present right to collect the goods, the transfer of the principal risks and rewards of ownership of the goods, the transfer of legal ownership of the goods, the transfer of physical assets of the goods, and the customer's acceptance of the goods. The Group recognizes the realization of real estate sales revenue when the house is completed and accepted, the sales contract is signed with the purchaser, the purchaser's payment certificate is obtained and the house is delivered for use. If the purchaser refuses to accept the written house delivery notice without justified reasons, the realization of real estate sales revenue shall be recognized after the end of the delivery and use time limit determined in the written house delivery notice.

24.3 Revenue from plan, design and consultancy operations

For plan, design and consultancy operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. *Revenue from contracts with customers (Continued)*

24.4 Revenue from manufacturing operations

For manufacturing operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services. The revenue is recognised at transfer control point in time based on the following indicators, which include: a present right to payment for goods, the transfer of significant risks and rewards of ownership of goods, the transfer of legal title to goods, the transfer of physical possession of goods, the customer's acceptance of goods.

24.5 Variable consideration

Some of the Group's contracts with customers include arrangements of variable consideration. The Group determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is only applied to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

24.6 Significant financing components

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods or services in cash at the time of obtaining the control of the goods or services, and amortises the difference between the transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods or services. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between when the customer obtains control of the goods or services and when the customer pays for such goods or services will be one year or less.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. *Revenue from contracts with customers (Continued)*

24.7 Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and shall recognise the reduction of revenue when (or as) the later of either of the following events occurs: (1) the Group recognises revenue for the transfer of the related goods or services to the customer; and (2) the Group pays or promises to pay the consideration.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to each performance obligation on a basis of relative stand-alone selling price, at which an entity would sell a promised good or service separately to a customer. When an entity has observable evidence that the contract discount or the variable consideration relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate the contract discount or the variable consideration to one or more, but not all, performance obligations in the contract.

The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

24.8 Warranties

The Group provides a warranty in connection with the sale of a good or the construction of an asset in accordance with the contract and the relevant laws and regulations, etc. For an assurance-type warranty that provides the customer the assurance that the goods sold or the assets built comply with agreed-upon specifications, the Group accounts for the warranty in accordance with Notes III.22. For a service-type warranty that provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Group accounts for it as a separate performance obligation. On the basis of the relative proportion between the stand-alone selling price of the good and the service-type warranty, a portion of the transaction price is allocated to the service-type warranty and revenue is recognised when a customer obtained control of the good. When assessing whether a service-type warranty provides a customer with a separate service in addition to the assurance that the good complies with agreed-upon specifications, the Group considers whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the Group promises to perform, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (Continued)

24.9 Principal/agent

The Group judges whether the identity of the group is a principal or an agent when the transaction is conducted based on whether the Group has control over the product or service before transferring to the customer. Under the circumstance that the Group controls goods or services before goods or services are transferred to the customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods or services to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

24.10 Recognition of revenue from Public-Private Partnership (“PPP”)

Public-Private-Partnership project contracts refers to the contracts established by the Group as social capital entity and the government for PPP project cooperation in accordance with laws and regulations, and the contracts shall meet the following features at the same time (hereinafter referred to as “double features”):

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

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

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Revenue from contracts with customers (Continued)

24.10 Recognition of revenue from Public-Private Partnership (“PPP”) (Continued)

The Group who provides multiple service (e.g. providing construction service for PPP project and operation and maintenance service after the construction is complete) in accordance with the contract, it shall identify the single performance obligation included in the contract and allocate the transaction price to each performance obligation in accordance with the proportion of the stand-alone selling price of each performance obligation in accordance with the provisions of ASBE No. 14 – Revenue. Revenue from construction service is measured by consideration collected or entitled to charge and recognise contract assets at the same time. When the labor service is provided, the corresponding revenue is recognized in period of operation; Daily maintenance or repair expenses incurred are recognized as current expenses.

In accordance with the PPP contract, during the operation of PPP project, the Group is entitled to collect certain cash flows (or other financial assets) and recognise revenue and receivables simultaneously when the Group has the right to collect such consideration (a right is only determined by the passage of time), in accordance with “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”.

In accordance with the PPP contract, during the operation of PPP project, the Group is entitled to collect cash flows from parties who received public products and services with uncertain amount, and such right does not constitute an unconditional right to collect cash. The Group should recognise the consideration or the revenue recognised from construction activity of PPP assets as intangible assets when the PPP assets reach working condition, in accordance with “Accounting Standards for Business Enterprises No. 6 – Intangible Assets”.

After PPP assets reach working condition, the Group should recognise revenue for operation of PPP projects in accordance with “Accounting Standards for Business Enterprises No. 14 – Revenue”.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. *Contract assets and contract liabilities*

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

25.1 **Contract assets**

The Group presents its right to consideration in exchange for goods or services as a contract asset (the right to consideration is conditional on other factors excluding the passage of time) if the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due. The Group presents it as an account receivable when the Group has the right to consideration which is unconditional subsequently.

For details of how the Group measures and accounts for the ECLs of a contract asset, refer to Notes III.10.

25.2 **Contract liabilities**

The Group presents its obligation to transfer goods or services to a customer, for which the Group has received consideration or the Group has a right to an amount of consideration that is unconditional (i.e., a receivable) from the customer, as a contract liability.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. *Assets related to the contract cost*

The Group's assets related to the contract cost include the costs to obtain and fulfil a contract and are classified as inventories, other current assets and other non-current assets by liquidity.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortisation period of the asset is one year or less.

Other than the costs which are capitalised as inventories, fixed assets and intangible assets, etc., costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (1) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;
- (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
- (3) the costs are expected to be recovered.

The contract cost asset is amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised.

The Group accrues provisions for impairment and recognises impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

- (1) the remaining amount of consideration expected to receive in exchange for the goods or services to which the asset relates; less
- (2) the costs that are expected to be incurred to transfer those related goods or services.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. *Government grants*

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

27.1 **Judgment basis and accounting treatments for government grants related to assets**

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

27.2 **Judgment basis and accounting treatments for government grants related to income**

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. *Government grants (Continued)*

27.3 Relocation compensation received due to public interests

The Group receives relocation compensation directly from the government for the benefit of public interests such as urban overall planning, reservoir construction, and renovation of shanty towns and subsidence area control. The relocation compensation is paid out of financial budgets by the government and is recognised as special payable when received. Therein compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income and recognised as government grants relating to assets and government grants related to income accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

28. *Deferred income tax*

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. *Deferred income tax*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

- (1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the end of the reporting period, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Leases

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(1) As lessee

Except for short-term leases and leases for which the underlying asset is of low value, the Group shall recognise right of use assets and lease liabilities.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group shall allocate the consideration in the contract according to stand-alone selling prices.

At the commencement date of the lease, the Group recognises a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group remeasures the lease liability for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

At the commencement date of the lease, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related assets as required. In addition, the Group remeasures lease liabilities at the present value of the revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Leases (Continued)

(1) As lessee (Continued)

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

(2) As a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group shall allocate the consideration in the contract according to stand-alone selling prices.

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. The Group shall add initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term on the same basis as the lease income.

(3) Sale and leaseback transactions

As a seller-lessee

The Group applies the requirements of ASBE No. 14 to assess whether the sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For the sales and leaseback transaction that does not constitute a sale, the Group continues to recognise the transferred asset, and recognises a financial liability which is equal to the transfer proceeds and accounts for the financial liability applying ASBE No. 22. If the sales and leaseback transaction constitute a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. After the lease commencement date, the Group shall make subsequent measurements of the right-of-use assets and lease liabilities formed by the leaseback transaction in accordance with the above provisions on subsequent measurement of such assets and liabilities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. *Production safety expenses*

The Group accrues for production safety expenses pursuant to the Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation (Cai Qi [2022] No.136) and the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation, issued by the Ministry of Finance and the Ministry of Emergency Management.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and other comprehensive income and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when relevant assets become ready for their intended use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

31. *Fair value measurement*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Other than Level 1 inputs based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;
- Level 3 Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation on each balance sheet date.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. *Asset securitisation*

The Group has securitized certain receivables (the “trust property”) and transferred the assets to a structured entity, which issues priority/inferior asset-backed securities to investors. After settling trust tax liabilities and related fees, the trust property is utilized to service the principal and interest of the priority asset-backed securities first, with any remaining trust property after full repayment of principal and interest being allocated as income for the inferior asset-backed securities held by their respective holders.

For the securitization business of financial assets, the Group initially assesses whether consolidation of the structured entity is necessary based on ownership stake, performance incentives received, and control exerted. If the Group retains contractual rights to receive cash flows from a financial asset but also assumes obligations to pass these cash flows on to one or more ultimate recipients under specific conditions – namely: only being obligated to pay equivalent cash flows when received; being prohibited from selling or pledging the financial asset while able to use it as collateral for payment obligations; and being required to promptly transfer all collected cash flows without significant delay – then accounting treatment will be determined according to risk exposure and remuneration associated with assets transferred to other entities in accordance with Notes III.10. Otherwise, recognition of transferred financial assets will continue unchanged. The Group is obligated to make payment of the financial asset to the ultimate recipient only upon receipt of an equivalent cash flow from the financial asset. The terms of the transfer contract prohibit the Group from selling or mortgaging the financial asset, except the Group may utilize it as guarantee for fulfilling cash flow obligations to the ultimate recipient. Furthermore, it is mandatory for the Group to promptly transfer all cash flows received on behalf of the ultimate recipient to them without any significant delay.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at each balance sheet date. However, uncertainty about these assumptions and estimates may result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

33.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Determination method of construction contract performance schedule

The Group determines the performance progress of the construction contract according to the input method. Specifically, the Group determines the performance progress according to the proportion of the accumulated actual construction cost in the estimated total cost. The accumulated actual cost includes the direct cost and indirect cost incurred in the process of the Group transferring goods to customers. The construction contract price with the customer is determined based on the construction cost. The proportion of the actual construction cost to the estimated total cost can truly reflect the performance progress of the construction service. In view of the long lifetime of the construction contract and the possibility of spanning several accounting periods, the Group will review and revise the budget with the progress of the construction contract, and adjust the revenue recognition amount accordingly.

Business model

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.1 Judgements (Continued)

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

Equity instruments

Equity instruments such as perpetual bonds issued by the Group do not need to be settled by the Group's own equity instruments, excluding the contractual obligations to deliver cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potential adverse conditions. Therefore, the Group calculates them as other equity instruments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.1 Judgements (Continued)

Revenue from sales of real estate

According to the accounting policies described in Note III. 24, the Group recognizes the revenue at the point which the customer obtains physical ownership and when the Group has acquired the current collection right and is likely to recover the consideration.

When the Group signs a sales contract with a property buyer, according to the requirements of some banks, if the buyer needs to buy a house on mortgage, the Group will enter into a tripartite mortgage guarantee loan agreement with the buyer and the bank. The Group will provide phased joint liability guarantee for mortgage loan issued by bank to the property buyer. The phased joint liability guarantee will be released after the property buyer has completed the house ownership certificate and completed the real estate mortgage registration procedures. The Group only needs to provide guarantee to the bank for the outstanding mortgage loan of the buyer within the guarantee period. The bank will only claim against the Group if the buyer defaults and fails to repay the mortgage loan.

According to the Group's historical experience in selling similar developed products, the Group believes that during the period of phased joint liability guarantee, the ratio of the Group's guarantee liability to the bank due to the buyer's failure to repay the mortgage loan is very low, and the Group can claim the advance payment paid by the buyer for undertaking the guarantee of phased joint liability. In the case of non-repayment by the buyer, the Group can avoid loss by giving priority to the relevant property according to the relevant purchase contract. Therefore, the Group believes that the financial guarantee has no significant impact on the recognition of sales revenue of development products.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The Group is required to perform significant judgements and estimations and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the impairment allowance may also not be representative of the actual impairment loss in the future.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.2 Estimation uncertainty(Continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. Testing the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investments

For a part of unlisted equity investments, the Group adopts the market approach to estimate the fair value, which involves choosing comparable companies and market multiples and estimating the liquidity discount rate. Therefore, it is subject to uncertainty. For all the other unlisted equity investments, the Group estimates the fair value through the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

Construction and service contracts

Recognition of revenue and expenses from construction and service contracts requires management to make relevant estimates. If losses are expected to occur in construction and service contracts, such losses should be recognised as current costs. The management of the Group estimates the possible losses based on the construction and service contract budget. Due to the characteristics of housing construction, infrastructure construction, and design businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.2 Estimation uncertainty(Continued)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement from the management is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Confirmation and allocation of properties under development

The cost of real estate construction is recorded as inventory during the construction period, and will be carried forward to the income statement after real estate sales revenue is confirmed. Before the final settlement of project costs and other related real estate development costs, such costs need to be estimated by the management of the Group based on budgeted costs and development progress. The Group's real estate development is generally carried out in stages, and the cost directly related to the development of a certain period is recorded as the cost of that period. The common costs of different stages are allocated to each stage according to the saleable area. If the final settlement of the project cost and the related cost allocation are different from the initial estimate, the increase or decrease of the project cost and other costs will affect the profit and loss in the future years.

Inventory impairment

The Group's inventory is measured at the lower of cost and net realisable value. The net realisable value of inventory refers to the estimated selling price of the inventory minus the estimated cost, estimated selling expenses and relevant taxes and fees at the time of completion. The management's calculation of the net realisable value of inventories involves the estimation of estimated selling prices, estimated costs to be incurred by the time of completion, estimated selling expenses and relevant taxes. Changes in these estimates will affect the book value of inventories and the profit and loss of future changes.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.2 Estimation uncertainty(Continued)

Useful lives and residual values of fixed assets

After considering the residual value of the fixed assets, the Group accrues depreciation within the estimated useful life. The Group regularly reviews the After considering the residual value of the fixed assets, the Group accrues depreciation within the estimated useful life. The Group regularly reviews the estimated useful life and residual value of related assets to determine the amount of depreciation expenses that will be included in each reporting period. The useful life and residual value of assets are determined by the Group based on the past experience of similar assets and combined with expected technological changes. If the previous estimate changes significantly, the depreciation expense will be adjusted in the future period.

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the probable obligations have been made based on management's best estimates and judgments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Significant accounting judgements and estimates (Continued)

33.2 Estimation uncertainty(Continued)

Amortisation of concession rights of highways

If the assets under the concession arrangement acquired by the Group's participating in the construction of the highway are applicable to intangible asset model, the concession rights are amortised at the early stage of operation period based on expected realisation approach of associated economic benefits using traffic volume method or straight-line method. In the case of traffic volume method amortisation (namely, calculating the total annual amortisation amount based on the percentage of actual traffic volume in the current period in the estimated total traffic volumes), amortisation calculation is initiated since the operation of the relevant turnpike highways.

The Group's management made judgments on the proportion of actual traffic volume in the total estimated traffic volume. Where the difference between the actual amount and the estimation is substantial, the management will re-estimate the total estimated traffic volume based on the actual traffic volume and adjust the amortisation of annual provisions for standard traffic volumes in subsequent years.

34. Changes in accounting policies and accounting estimates

(1) Changes in accounting policies

During the reporting period, there were no significant changes in accounting policies.

(2) Changes in accounting estimates

During the reporting period, there were no significant changes in accounting estimates.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION

1. Major categories of taxes and respective tax rates

Category	Tax Basis	Tax rate
Value-added tax ("VAT")	Taxable income is calculated at the corresponding tax rate as output tax, and the value-added tax is calculated on the basis of the difference after deducting the input tax allowed to be deducted in the current period	3%、6%、9%、13%
City maintenance and construction tax ("CCT")	Based on the actual VAT and circulation tax payment	1%、5%、7%
Enterprise income tax ("EIT")	Taxable income	All enterprises are subject to EIT at 25% except for some domestic subsidiaries qualified for tax preferential (Note IV. 2) and overseas subsidiaries that are subject to EIT in accordance with the local tax laws applicable to the jurisdictions where the companies were registered.
Educational surcharge	Based on the actual VAT and circulation tax payment	3%
Local educational surcharge	Based on the actual VAT and circulation tax payment	2%
Land appreciation tax ("LAT")	Calculate LAT based on the appreciation amount arising from the transfer of properties and the extra progressive tax rate	Extra progressive tax rates: 30%, 40%, 50%, 60%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential

The entities subject to different enterprise income tax rates are as follows:

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 11th Bureau Group 6th Engineering Co., Ltd. (中鐵十一局集團第六工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 11th Bureau Group Construction and Development Co., Ltd. (中鐵十一局集團建設發展有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 11th Bureau Group 1st Engineering Co., Ltd. (中鐵十一局集團第一工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 11th Bureau Group 2nd Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 11th Bureau Group 3rd Engineering Co., Ltd. (中鐵十一局集團第三工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 11th Bureau Group 4th Engineering Co., Ltd. (中鐵十一局集團第四工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 11th Bureau Group City Rail Engineering Co., Ltd. (中鐵十一局集團城市軌道工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 11th Bureau Group Bridge Engineering Co., Ltd. (中鐵十一局集團橋樑有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 11th Bureau Group Electrical Engineering Co., Ltd. (中鐵十一局集團電務工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 11th Bureau Group Hanjiang Heavy Industry Co., Ltd. (中鐵十一局集團漢江重工有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 11th Bureau Group Construction Installation Engineering Co., Ltd. (中鐵十一局集團建築安裝工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 11th Bureau Group Xizang Engineering Co., Ltd. (中鐵十一局集團西藏工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 11th Bureau Group Xi'an Construction Co., Ltd. (中鐵十一局集團西安建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵十二局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵十二局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 12th Bureau Group 7th Engineering Co., Ltd. (中鐵十二局集團第七工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 12th Bureau Group Electrification Engineering Co., Ltd. (中鐵十二局集團電氣化工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 12th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十二局集團建築安裝工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026. The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
International Engineering Co., Ltd. of China Railway 12th Bureau Group (中鐵十二局集團國際工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Municipal Engineering Co., Ltd. of China Railway 12th Bureau Group (中鐵十二局集團市政工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 12th Bureau Group Shanxi Construction Components Co., Ltd. (中鐵十二局集團山西建築構件有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 12th Bureau Group (Tibet) Engineering Co., Ltd. (中鐵十二局集團(西藏)工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 12th Bureau Group Hanzhong Xudong Engineering Co., Ltd. (中鐵十二局集團漢中旭東工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Bridge Engineering Bureau Group Construction Assembly Technology Co., Ltd. (中鐵建大橋工程局集團建築裝配科技有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Jinqiao Engineering Testing Co., Ltd. (中鐵津橋工程檢測有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1).
China Railway Modern Survey and Design Institute Co., Ltd. (中鐵現代勘察設計院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Bridge Engineering Group Electrification Engineering Co., Ltd. (中鐵建大橋工程局集團電氣化工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Bridge Engineering Bureau Group Jingjiang Heavy Industry Co., Ltd. (中鐵建大橋工程局集團靖江重工有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 14th Bureau Group 1st Engineering Development Co., Ltd. (中鐵十四局集團第一工程發展有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 14th Bureau Group Electrification Engineering Co., Ltd. (中鐵十四局集團電氣化工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Tiezheng Testing Technology Co., Ltd. (鐵正檢測科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Shandong Zhengheng New Material Technology Co., Ltd. (山東正珩新材料科技有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 14th Bureau Group 3rd Engineering Co., Ltd. (中鐵十四局集團第三工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 14th Bureau Group 4th Engineering Co., Ltd. (中鐵十四局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Shandong Civil Air Defense Architectural Design Institute Co., Ltd. (山東省人民防空建築設計院有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 14th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十四局集團隧道工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 14th Bureau Group Construction Technology Co., Ltd. (中鐵十四局集團建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 14th Bureau Construction Engineering Co., Ltd. (中鐵十四局集團建築工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 14th Bureau Yellow River Construction Technology Co., Ltd. (中鐵十四局集團黃河建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
CRCC North-China Construction Technology Co., Ltd. (中鐵建華北建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 14th Bureau Group Qingdao Engineering Co., Ltd. (中鐵十四局集團青島工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 14th Bureau Group Housing and Bridge Co., Ltd. (中鐵十四局集團房橋有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 14th Bureau Group Shield Tunneling Co., Ltd. (中鐵十四局集團大盾構有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Fangqiao Yinlong (Tianjin) Rail Technology Co., Ltd. (中鐵房橋銀龍(天津)軌道科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Nanjing Urban Construction Fangqiao Construction Technology Co., Ltd. (南京城建房橋建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Chongqing Construction Technology Co., Ltd. (中鐵建重慶建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 15th Bureau Group 3rd Engineering Co., Ltd. (中鐵十五局集團第三工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 15th Bureau Group 5th Engineering Co., Ltd. (中鐵十五局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Henan Sitong Engineering Testing Co., Ltd. (河南四通工程檢測有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 15th Bureau Group Tibet Engineering Co., Ltd. (中鐵十五局集團西藏工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 16th Bureau Group 1st Engineering Co., Ltd. (中鐵十六局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 16th Bureau Group 2nd Engineering Co., Ltd. (中鐵十六局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 16th Bureau Group 3rd Engineering Co., Ltd. (中鐵十六局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 16th Bureau Group Electrification Engineering Co., Ltd. (中鐵十六局集團電氣化工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 16th Bureau Group 5th Engineering Co., Ltd. (中鐵十六局集團第五工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 16th Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵十六局集團路橋工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 16th Bureau Group City Construction Development Co., Ltd. (中鐵十六局集團城市建設發展有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 16th Bureau Group Railway Transportation Engineering Co., Ltd. (中鐵十六局集團鐵運工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 16th Bureau Group Tibet Engineering Co., Ltd. (中鐵十六局集團西藏工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 17th Bureau 3rd Engineering Co., Ltd. (中鐵十七局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 17th Bureau 5th Engineering Co., Ltd. (中鐵十七局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 17th Bureau Group Electrification Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 17th Bureau Municipal Construction Co., Ltd. (中鐵十七局集團市政建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 17th Bureau Group (Guangzhou) Construction Co., Ltd. (中鐵十七局集團(廣州)建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 17th Bureau 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 17th Bureau 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 17th Bureau Group Tibet Engineering Co., Ltd. (中鐵十七局集團西藏工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 18th Bureau Group 1st Engineering Co., Ltd. (中鐵十八局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 18th Bureau Group 2nd Engineering Co., Ltd. (中鐵十八局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 18th Bureau Group 3rd Engineering Co., Ltd. (中鐵十八局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 18th Bureau Group 4th Engineering Co., Ltd. (中鐵十八局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 18th Bureau Group 5th Engineering Co., Ltd. (中鐵十八局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 18th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十八局集團建築安裝工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 18th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十八局集團隧道工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 19th Bureau Group Rail Transit Engineering Co., Ltd. (中鐵十九局集團軌道交通工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 19th Bureau Group Mining Investment Co., Ltd. (中鐵十九局集團礦業投資有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 19th Bureau Group 1st Engineering Co., Ltd. (中鐵十九局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 19th Bureau Group 3rd Engineering Co., Ltd. (中鐵十九局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 19th Bureau Group 5th Engineering Co., Ltd. (中鐵十九局集團第五工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 19th Bureau Group 6th Engineering Co., Ltd. (中鐵十九局集團第六工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 19th Bureau Group East China Engineering Co., Ltd. (中鐵十九局集團華東工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 19th Bureau Group Corporation Electric Engineering Co., Ltd. (中鐵十九局集團電務工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 19th Bureau Group Guangzhou Engineering Co., Ltd. (中鐵十九局集團廣州工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 19th Bureau Group Tibet Engineering Co., Ltd. (中鐵十九局集團西藏工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Construction Urban Construction Transportation Development Co., Ltd. (中鐵建城建交通發展有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Building and Installing Engineering Design Institute Co., Ltd. (中鐵建安工程設計院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Technology Testing Co., Ltd. (中鐵建科檢測有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1); The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1); The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026. The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Guizhou Engineering Co., Ltd. (中鐵貴州工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 20th Bureau Group Electrification Engineering Co., Ltd. (中鐵二十局集團電氣化工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 20th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十局集團市政工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
Chongqing Qinyu Property Management Co., Ltd. (重慶秦渝物業管理有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026; The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 21st Bureau Group Electric and Chemical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
Western Railway Construction Engineering Materials Technology Co., Ltd. (西部鐵建工程材料科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Jingcheng Engineering Testing Co., Ltd. (中鐵京誠工程檢測有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 22nd Bureau Group 1st Engineering Co., Ltd. (中鐵二十二局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 22nd Bureau Group 2nd Engineering Co., Ltd. (中鐵二十二局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 22nd Bureau Group Electrification Engineering Co., Ltd. (中鐵二十二局集團電氣化工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 22nd Bureau Group 4th Engineering Co., Ltd. (中鐵二十二局集團第四工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
Heilongjiang Tiecheng Engineering Testing Co., Ltd. (黑龍江鐵誠工程檢測有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 23rd Bureau Group 1st Engineering Co., Ltd. (中鐵二十三局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 23rd Bureau Group Construction Design Institute Co., Ltd. (中鐵二十三局集團建築設計研究院有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 23rd Bureau Group Electric Engineering Co., Ltd. (中鐵二十三局集團電務工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 23rd Bureau Group (Hubei) Blasting Co., Ltd. (中鐵二十三局集團(湖北)爆破有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 23rd Bureau Group Rail Transit Engineering Co., Ltd. (中鐵二十三局集團軌道交通工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 23rd Bureau Group Tibet Engineering Co., Ltd. (中鐵二十三局集團西藏工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 23rd Bureau Group Rail Transit Sichuan Engineering Co., Ltd. (中鐵二十三局集團軌道交通四川工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
West Railway Construction (Shaanxi) Co., Ltd. (西鐵建設(陝西)有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway 24th Bureau Group Shanghai Railway Construction Co., Ltd. (中鐵二十四局集團上海鐵建工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 24th Bureau Group Shanghai electrification Co., Ltd. (中鐵二十四局集團上海電務電化有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Shen Tie Fang Yuan Inspection Technology Co., Ltd. (申鐵方圓檢測科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 24th Bureau Group Jiangsu Construction Co., Ltd. (中鐵二十四局集團江蘇工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 24th Bureau Group Southwest Construction Co., Ltd. (中鐵二十四局集團西南建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway 25th Bureau Group 1st Engineering Co., Ltd. (中鐵二十五局集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 25th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十五局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 25th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十五局集團第三工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 25th Bureau Group 4th Engineering Co., Ltd. (中鐵二十五局集團第四工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway 25th Bureau Group 5th Engineering Co., Ltd. (中鐵二十五局集團第五工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway 25th Bureau Group Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Dawan District Construction Co., Ltd. (中鐵建大灣區建設有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
Liuzhou Railway Engineering Quality Testing Center Co., Ltd. (柳州鐵路工程品質檢測中心有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Guangzhou Tiecheng Engineering Inspection Co., Ltd. (廣州鐵誠工程品質檢測有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway 25th Bureau Group (Ganzhou) Engineering Co., Ltd. 中鐵二十五局集團(贛州)工程有限公司	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway Construction Group Infrastructure Construction Co., Ltd. (中鐵建設集團基礎設施建設有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Group Electromechanical Installation Co., Ltd. (中鐵建設集團機電安裝有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
Beijing CRCC Installation Engineering Co., Ltd. (北京中鐵安裝工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Group South Engineering Co., Ltd. (中鐵建設集團南方工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
Beijing CRCC Decoration Engineering Co., Ltd. (北京中鐵裝飾工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Group Beijing Engineering Co., Ltd. (中鐵建設集團北京工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Beijing China Railway Construction Technology Co., Ltd. (北京中鐵建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Group East China Engineering Co., Ltd. (中鐵建設集團華東工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Group North China Engineering Co., Ltd. (中鐵建設集團華北工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Group Central-south China Construction Co., Ltd. (中鐵建設集團中南建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway Construction Group Xi'an Engineering Co., Ltd. (中鐵建設集團西安工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Development (Hainan) Co., Ltd. (中鐵建設建築發展(海南)有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Beijing CRCC Electrification Design Institute Co., Ltd. (北京中鐵建電氣化設計研究院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Electrification Bureau Group 1st Engineering Co., Ltd. (中鐵建電氣化局集團第一工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Electrification Bureau Group 2nd Engineering Co., Ltd. (中國鐵建電氣化局集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Electrification Bureau Group 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Electrification Bureau Group 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
China Railway Construction Electrification Bureau Group Science and Technology Co., Ltd. (中鐵建電氣化局集團科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway Construction Electrification Bureau Group Metro Engineering Machinery Co., Ltd. (中鐵建電氣化局集團軌道交通器材有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Electrification Bureau Group Operation Management Co., Ltd. (中鐵建電氣化局集團運營管理有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. <i>(Note 1)</i>
China Railway Construction Electrification Bureau Group South Engineering Co., Ltd. (中鐵建電氣化局集團南方工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Electrification Bureau Group 4th Engineering Co., Ltd. (中鐵建電氣化局集團第四工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Electrification Bureau Group Kang Yuan New Material Co., Ltd. (中鐵建電氣化局集團康遠新材料有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Electrification Bureau Group North Engineering Co., Ltd. (中鐵建電氣化局集團北方工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Construction Electrification Bureau Group Xi'an Electrical Product Co., Ltd. (中鐵建電氣化局集團西安電氣化製品有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. <i>(Note 1)</i> ; The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
CRCC Harbour and Channel Engineering Bureau Group Survey & Design Institute Co., Ltd. (中鐵建港航局集團勘察設計院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Urban Construction Group 1st Engineering Co., Ltd. (中鐵城建集團第一工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Urban Construction Group 2nd Engineering Co., Ltd. (中鐵城建集團第二工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Urban Construction Group 3rd Engineering Co., Ltd. (中鐵城建集團第三工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Beijing Engineering Company Limited of China Railway Urban Construction Group (中鐵城建集團北京工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Urban Construction Group Nanchang Construction Co., Ltd. (中鐵城建集團南昌建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Urban Construction Group Urban Operation Services Co., Ltd. (中鐵城建集團城市運營服務有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Construction Group Construction Technology Co., Ltd. (中鐵城建集團建築科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway First Survey and Design Institute (Shaanxi) Engineering Construction Co., Ltd. (中鐵一院(陝西)工程建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Xi'an Runtong Digital Technology Co., Ltd. (西安潤通數字科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Lanzhou Railway Design Institute Co., Ltd. (蘭州鐵道設計院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Xi'an Yidi Weike Intelligent Technology Co., Ltd. (西安益迪惟科智能科技有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd. (鐵四院(湖北)工程監理諮詢有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Wuhan Railway SIYUAN Engineering Consulting Co., Ltd. (武漢鐵四院工程諮詢有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1);
China Railway SIYUAN Survey and Design Group Nanning Survey and Design Institute Co., Ltd. (中鐵四院集團南寧勘察設計院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway SIYUAN Survey and Design Group Southwest Survey and Design Institute Co., Ltd. (鐵四院集團西南勘察設計有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway SIYUAN Survey and Design Group New Type Rail Transit Design & Research Co., Ltd. (中鐵四院集團新型軌道交通設計研究有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
Haixia (Fujian) Transportation Engineering Design Co., Ltd. (海峽(福建)交通工程設計有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Siyuan Group Guangzhou Designing Institute Co., Ltd. (廣東省鐵路規劃設計研究院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway SIYUAN Survey and Design Group Operation and Maintenance Co., Ltd. (中鐵四院集團工程運維有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Tiesiyuan Wuhan Testing Technology Co., Ltd. (鐵四院武漢檢測技術有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Beijing Tieyan Construction Supervision Co., Ltd. (北京鐵研建設監理有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Beijing China Railway Ecological Environment Design Institute Co., Ltd. (北京中鐵生態環境設計院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Beijing Railway Fifth Group Engineering Machinery Co., Ltd. (北京鐵五院工程機械有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Beijing Tiecheng GIGNA Engineering Testing Co., Ltd. (北京鐵城檢測認證有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction Engineering General Contracting (Beijing) Co., Ltd. (中鐵建工程總承包(北京)有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Beijing Tiecheng Engineering Consulting Co., Ltd. (北京鐵城工程諮詢有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
Quzhou Communication Design Co., Ltd. (衢州市交通設計有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
Shanghai Xianxing Construction Supervision Co., Ltd. (上海先行建設監理有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Hangzhou Railway Design Institute Co., Ltd. (杭州鐵路設計院有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Nanchang Railway Survey and Design Institute Co., Ltd. (南昌鐵路勘測設計院有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Shanghai Design Institute Group Hefei Co., Ltd. (中鐵上海設計院集團合肥有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
China Railway Material Group Southwest Co., Ltd. (中鐵物資集團西南有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Zhuzhou China Railway Electric Materials Co., Ltd. (株洲中鐵電氣物資有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Longchang Materials Co., Ltd. (中鐵隆昌鐵路器材有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025. The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
China Railway Construction Heavy Industry Xinjiang Co., Ltd. (鐵建重工新疆有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026. The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway CCECC Fuzhou Survey & Design Institute Co., Ltd. (中土集團福州勘察設計研究院有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Suzhou Traffic Design Research Institute Co., Ltd. (中鐵建蘇州設計研究院有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1); The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.
Beijing Ruiweitong Engineering Machinery Co., Ltd. (北京瑞維通工程機械有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
CRCC Cyber Information Technology Co., Ltd. (中鐵建網路資訊科技有限公司)	15%	15%	The entity was entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2024. (Note 1)
Chenghe RuiZheng Risk Management Consulting Co., Ltd. (誠合瑞正風險管理諮詢有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
Pangu Cloud Chain (Tianjin) Digital Technology Co., Ltd. (盤古雲鏈(天津)數位科技有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.
China Railway Construction South China Construction (Guangzhou) High Tech Industry Co., Ltd. (中鐵建華南建設(廣州)高科技產業有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2026.
CRCC Kunlun Investment Group Co., Ltd. (中國鐵建昆侖投資集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction (Yinchuan) City Development Co., Ltd. (中鐵建(銀川)城市發展有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway Construction Kunlun Metro Investment Construction Management Co., Ltd. (中鐵建昆侖地鐵投資建設管理有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction Yunnan Investment Co., Ltd. (中鐵建雲南投資有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Chengdu CRCC Kunlun Rail Engineering Co., Ltd. (成都中鐵建昆侖軌道工程有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Chengdu CRCC Chengzi Rail Transit Development Co., Ltd. (成都中鐵建成資軌道交通發展有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Chongqing China Petroleum & Railway Construction Industrial Co., Ltd. (重慶中油鐵建實業有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
CRCC Chongqing Investment Group Co., Ltd. (中鐵建重慶投資集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
CRCC Chongqing Petrochemical Sales Co., Ltd. (中鐵建重慶石化銷售有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Chongqing Jinlu Traffic Engineering Co., Ltd. (重慶金路交通工程有限責任公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction Kunlun Expressway Operation Management Co., Ltd. (中鐵建昆侖高速公路運營管理有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction Kunlun Road and Bridge Construction Co., Ltd. (中鐵建昆侖路橋建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
CRCC Ecological Environment Co., Ltd. (中鐵建生態環境有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy for high-tech enterprises, valid until 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IV. TAXATION (CONTINUED)

2. Tax preferential (Continued)

The entities subject to different enterprise income tax rates are as follows: (Continued)

Company name	Preferential tax rate		Preferential corporate income tax policy
	For the six months ended 30 June 2025	For the six months ended 30 June 2024	
China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司)	15%	15%	The entity is entitled to enjoy the preferential corporate income tax policy for Enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin
China Railway Construction Highway Operation Co., Ltd. (中鐵建公路運營有限公司)	15%	15%	The entity is entitled to enjoy the preferential corporate income tax policy for Enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin
China Railway Highway China Petroleum (Sichuan) Energy Co., Ltd. (鐵建高速中油(四川)能源有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction Guizhou Anshun-Ziyun Highway Co., Ltd. (中鐵建貴州安紫高速公路有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction Chongqing Rail Transit Loop Line Construction Co., Ltd. (中鐵建重慶軌道環線建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
China Railway Construction Sichuan Jianpu Expressway Co., Ltd. (中鐵建四川簡蒲高速公路有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
CRCC Chongqing Investment Group Industrial Development Co., Ltd. (中鐵建重慶投資集團實業發展有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030
Railway Construction Northwest Investment & Construction Co., Ltd. (中鐵建西北投資建設有限公司)	15%	15%	The entity is entitled to enjoy the preferential tax policy under the Western Development strategy, valid until 2030.

Note 1: The entity has submitted the application materials for re-recognition as a high-tech enterprise and is awaiting review by the Department of Science and Technology, Department of Finance, and Tax Bureau. For the six months ended 30 June 2025 the entity provisionally prepaid income tax at the preferential rate of 15% applicable to high-tech enterprises.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

	30 June 2025	31 December 2024
Cash on hand	82,519	57,041
Cash at banks	165,326,430	169,253,199
Other cash and bank balances	9,947,677	11,149,207
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	5,122,842	5,243,668
Total	180,479,468	185,703,115
Including: Total amount of offshore deposits	14,889,702	15,001,504

The restricted cash and bank balances of the Group are stated in Note V. 26.

As at 30 June 2025, the Group held foreign cash and bank balances amounting to RMB14,889,702,000 (31 December 2024: RMB15,001,504,000), certain cash and bank balances deposited in certain countries or regions that were subject to foreign exchange control and not freely convertible into other currencies or remitted out of those countries. As at 30 June 2025, the Group's cash and bank balances denominated in foreign currencies which were deposited in aforesaid countries or regions represented less than 3% (31 December 2024: less than 3%) of the cash and bank balances in the Group's consolidated statement of financial position.

RMB'000

	30 June 2025	31 December 2024
Cash and bank balances at the end of the period/year	180,479,468	185,703,115
Less: Mandatory reserves placed by CRCC Finance Company Limited with the central bank	5,122,842	5,243,668
Less: Other restricted cash and bank balances	9,870,249	11,116,121
Less: Non-pledged time deposits with original maturity of three months or more when acquired	1,814,875	1,971,706
Cash and cash equivalents at the end of the period/year	163,671,502	167,371,620

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

RMB'000

	30 June 2025	31 December 2024
Equity instruments	489,540	500,592
Others	1,066,279	1,032,524
Total	1,555,819	1,533,116

3. Bills receivable

(1) Bills receivable classification

RMB'000

	30 June 2025	31 December 2024
Bank acceptance bills	228,522	289,620
Commercial acceptance bills	1,602,776	2,948,728
Subtotal	1,831,298	3,238,348
Less: Allowance for credit losses	8,242	12,904
Total	1,823,056	3,225,444

(2) Bills receivable endorsed to other parties or discounted but not yet due at the balance sheet date

As at 30 June 2025, the Group had non-matured bills receivable of RMB321,779,000 (31 December 2024: RMB163,150,000) which had right of recourse and had been endorsed to other parties. The Group did not derecognise those bills receivable as the Group considered that all risks and rewards of the ownership had not been transferred from the endorsed bills receivable.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable (Continued)

(3) Bills receivable and allowance for credit losses by category are listed as follows:

RMB'000

	Gross carrying amount		30 June 2025 Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	1,831,298	100	8,242	0.45	1,823,056

RMB'000

	Gross carrying amount		31 December 2024 Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	3,238,348	100.00	12,904	0.40	3,225,444

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables

(1) An aging analysis of trade receivables is listed as follows:

RMB'000

Item	30 June 2025	31 December 2024
Within 1 year	198,411,040	162,675,624
1 to 2 years	32,154,615	30,501,327
2 to 3 years	16,650,112	15,896,386
Over 3 years	16,379,008	16,130,548
Subtotal	263,594,775	225,203,885
Less: Allowance for credit losses	21,522,235	20,444,647
Total	242,072,540	204,759,238

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(2) Trade receivables and allowance for credit losses by category are listed as follows:

30 June 2025

RMB'000

	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	32,637,567	12.38	13,396,974	41.05	19,240,593
Allowance for credit losses assessed by credit risk portfolio	230,957,208	87.62	8,125,261	3.52	222,831,947
Total	263,594,775	100.00	21,522,235	8.16	242,072,540

31 December 2024

RMB'000

	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	32,626,838	14.49	13,311,084	40.80	19,315,754
Allowance for credit losses assessed by credit risk portfolio	192,577,047	85.51	7,133,563	3.70	185,443,484
Total	225,203,885	100.00	20,444,647	9.08	204,759,238

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(2) Trade receivables and allowance for credit losses by category are listed as follows: (Continued)

As at 30 June 2025, trade receivables whose allowance for credit losses were assessed individually are listed as follows:

RMB'000

Company	30 June 2025			31 December 2024			Reasons
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	
Company 1	953,272	72,925	7.65	574,693	71,262	12.40	Note
Company 2	683,997	285,585	41.75	683,997	282,950	41.37	Note
Company 3	664,560	131,027	19.72	400,349	117,277	29.29	Note
Company 4	609,084	151,308	24.84	608,084	137,622	22.63	Note
Company 5	600,322	302,658	50.42	600,322	302,658	50.42	Note
Others	29,126,332	12,453,471	42.76	29,759,393	12,399,315	41.67	Note
Total	32,637,567	13,396,974	41.05	32,626,838	13,311,084	40.80	

Note: The Group makes provisions for credit losses based on the expected recoverability of the amounts.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(2) Trade receivables and allowance for credit losses by category are listed as follows: (Continued)

As at 30 June 2025, trade receivables whose allowance for credit losses were assessed by credit risk portfolio are listed as follows:

RMB'000

	Gross carrying amount	Allowance for credit losses Amount	Percentage (%)
Portfolio 1	153,348,353	4,556,983	2.97
Portfolio 2	18,223,101	454,025	2.49
Portfolio 3	8,841,028	309,388	3.50
Portfolio 4	11,079,257	123,256	1.11
Portfolio 5	39,465,469	2,681,609	6.79
Total	230,957,208	8,125,261	3.52

Portfolio 1 :

RMB'000

	As at 30 June 2025			
	Gross carrying amount Amount	Percentage (%)	Allowance for credit losses Amount	Percentage (%)
Within 1 year	128,083,270	83.52	1,548,524	1.21
1 to 2 years	16,111,417	10.51	835,848	5.19
2 to 3 years	6,204,535	4.05	771,250	12.43
Over 3 years	2,949,131	1.92	1,401,361	47.52
Total	153,348,353	100.00	4,556,983	2.97

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(2) Trade receivables and allowance for credit losses by category are listed as follows: (Continued)

Portfolio 2 :

RMB'000

	As at 30 June 2025			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	15,818,601	86.81	116,417	0.74
1 to 2 years	1,487,825	8.16	65,029	4.37
2 to 3 years	444,433	2.44	41,189	9.27
Over 3 years	472,242	2.59	231,390	49.00
Total	18,223,101	100.00	454,025	2.49

Portfolio 3 :

RMB'000

	As at 30 June 2025			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	6,153,517	69.61	58,323	0.95
1 to 2 years	1,258,516	14.23	65,293	5.19
2 to 3 years	844,218	9.55	84,913	10.06
Over 3 years	584,777	6.61	100,859	17.25
Total	8,841,028	100.00	309,388	3.50

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(2) Trade receivables and allowance for credit losses by category are listed as follows: (Continued)

Portfolio 4 :

RMB'000

	As at 30 June 2025			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	8,635,249	77.94	57,665	0.67
1 to 2 years	1,166,722	10.53	22,502	1.93
2 to 3 years	1,121,354	10.12	29,053	2.59
Over 3 years	155,932	1.41	14,036	9.00
Total	11,079,257	100.00	123,256	1.11

Portfolio 5 :

RMB'000

	As at 30 June 2025			
	Gross carrying amount		Allowance for credit losses	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	31,146,921	78.91	811,717	2.61
1 to 2 years	4,584,066	11.62	339,443	7.40
2 to 3 years	1,872,670	4.75	287,409	15.35
Over 3 years	1,861,812	4.72	1,243,040	66.77
Total	39,465,469	100.00	2,681,609	6.79

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(3) credit losses for trade receivables

Movements in allowance for credit losses for trade receivables are listed as follows:

RMB'000

	Opening balance of the current period	Provision for the period	Reversal for the period	Write-off for the period	Others	Closing balance of current period
For six months ended 30 June 2025	20,444,647	2,319,659	(1,080,101)	(4,733)	(157,237)	21,522,235

For the six months ended 30 June 2025, there were no significant recoveries, reversals or write-offs of the provision for impairment of trade receivables.

(4) As at 30 June 2025, top five entities with the largest balances of trade receivables and contract assets are listed as follows:

RMB'000

Company	Closing balance of trade receivables	Closing balance of contract assets	Total of closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for credit losses on trade receivables and contract assets
Company 1	1,407,105	659,019	2,066,124	0.26	11,911
Company 2	1,120,699	2,006,924	3,127,623	0.39	15,638
Company 3	1,105,346	1,237	1,106,583	0.14	979
Company 4	961,046	2,957,976	3,919,022	0.49	31,042
Company 5	952,166	81,139	1,033,305	0.13	79,132
Total	5,546,362	5,706,295	11,252,657	1.41	138,702

The Group's restricted accounts receivable is presented in Note V, 26.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(4) As at 30 June 2025, top five entities with the largest balances of trade receivables and contract assets are listed as follows: (Continued)

As at 30 June 2025, the Group derecognised trade receivables of RMB17,113,628,000 (for the year ended 31 December 2024: RMB33,431,290,000) due to transfer of financial assets and recognised losses from derecognition of financial assets, amounting to RMB684,521,000 (for the year ended 31 December 2024: RMB1,508,406,000).

Assets and liabilities recognised due to continuing involvement in the transferred trade receivables:

As at 30 June 2025, the Group recognised assets of RMB1,009,000,000 and liabilities of RMB1,009,000,000 (as at 31 December 2024: RMB794,241,000 and RMB794,241,000) related to continuing involvement in transferred trade receivables.

5. Receivables at fair value through other comprehensive income

RMB'000

	30 June 2025	31 December 2024
Bank acceptance bills	1,171,261	1,644,048

As at 30 June 2025, the Group had non-matured bills receivable of RMB2,302,066,000 (31 December 2024: RMB1,853,970,000) which had right of recourse and had been discounted or endorsed to other parties. The Group derecognised those bills receivable as the Group considered that all risks and rewards of the ownership had been transferred from the discounted or endorsed bills receivable since there was extremely low risk of the acceptor's inability to cash the bills upon expiry based on the acceptor's good reputation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers

- (1) An aging analysis of advances to suppliers is listed as follows:

RMB'000

	30 June 2025		31 December 2024	
	Gross carrying Amount	Percentage (%)	Gross carrying Amount	Percentage (%)
Within 1 year	26,580,624	98.10	22,722,875	98.33
1 to 2 years	305,744	1.13	215,876	0.93
2 to 3 years	78,300	0.29	128,659	0.56
Over 3 years	130,391	0.48	42,624	0.18
Total	27,095,059	100.00	23,110,034	100.00

As at 30 June 2025, there were no advances to suppliers with significant balances aged over one year.

- (2) As at 30 June 2025, advances to the five largest suppliers are listed as follows:

RMB'000

Company name	Amount	Percentage of total advances to suppliers (%)
Total amount of the five largest prepayments to suppliers	1,029,660	3.80

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables

(1) An aging analysis of other receivables is as follows:

RMB'000

	30 June 2025	31 December 2024
Within 1 year	48,965,131	43,082,559
1 to 2 years	12,197,197	12,510,236
2 to 3 years	5,627,103	5,558,155
Over 3 years	12,584,692	11,938,927
Subtotal	79,374,123	73,089,877
Less: Allowance for credit losses	7,625,096	7,264,462
Total	71,749,027	65,825,415

(2) Other receivables categorized by nature :

RMB'000

	30 June 2025	31 December 2024
Loans for cooperative development project	34,051,111	32,518,153
Security deposits and cash pledged	17,306,954	18,690,040
Advance payments	10,427,461	9,272,492
Others	17,588,597	12,609,192
Total	79,374,123	73,089,877

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(3) Disclosed by method of determining allowance for credit losses

RMB'000

	Gross carrying amount		30 June 2025		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	8,001,200	10.08	3,238,119	40.47	4,763,081
Allowance for credit losses assessed by credit risk portfolio	71,372,923	89.92	4,386,977	6.15	66,985,946
Total	79,374,123	100.00	7,625,096	9.61	71,749,027

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(3) Disclosed by method of determining allowance for credit losses: (Continued)

RMB'000

	31 December 2024		31 December 2024		Carrying amount
	Gross carrying amount	Allowance for credit losses	Amount	Percentage	
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed individually	7,353,685	10.06	3,348,397	45.53	4,005,288
Allowance for credit losses assessed by credit risk portfolio	65,736,192	89.94	3,916,065	5.96	61,820,127
Total	73,089,877	100.00	7,264,462	9.94	65,825,415

Significant other receivables for which provision for credit losses is individually assessed are as follows:

RMB'000

Company	30 June 2025				31 December 2024	
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	Reason	Gross carrying amount	Allowance for credit losses
Company 1	2,471,172	560,353	22.68	Note	2,500,872	560,059
Company 2	913,244	232,895	25.50	Note	913,244	232,895
Company 3	825,809	183,360	22.20	Note	825,809	183,360
Total	4,210,225	976,608	23.20	–	4,239,925	976,314

Note: According to the recoverability of other receivables, the Group recorded allowance for credit losses.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(3) Disclosed by method of determining allowance for credit losses: (Continued)

At 30 June 2025, other receivables for which provision for credit losses is collectively assessed on a portfolio basis are as follows:

RMB'000

Aging	Gross carrying amount	Allowance for credit losses	Proportion (%)
Within 1 year	47,623,838	998,443	2.10
1 to 2 years	10,845,975	395,593	3.65
2 to 3 years	4,785,079	421,808	8.82
Over 3 years	8,118,031	2,571,133	31.67
Total	71,372,923	4,386,977	6.15

Movements in the allowance for credit losses of other receivables, based on 12-month expected credit losses and lifetime expected credit losses, are as follows:

RMB'000

	Phase 1 Future 12-month expected credit losses	Phase 2 Lifetime expected credit losses (Non-credit- impaired)	Phase 3 Lifetime expected credit losses (Credit- impaired)	Total
Opening balance of the current period	2,436,308	1,253,064	3,575,090	7,264,462
Provision for the current period	426,977	188,260	31,946	647,183
Reversal for the current period	(186,019)	(29,917)	(47,242)	(263,178)
Write-off for the current period	(14,334)	(419)	(1,486)	(16,239)
Others	(315,801)	53,831	254,838	(7,132)
Closing balance of the current period	2,347,131	1,464,819	3,813,146	7,625,096

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

(4) Credit losses for other receivables

Movements in the allowance for credit losses of other receivables are as follows:

RMB'000

	Opening balance	Provision for the Current period	Reversal for the Current period	Write-off for the Current period	Others	Closing balance
For the six months ended 30 June 2025	7,264,462	647,183	(263,178)	(16,239)	(7,132)	7,625,096

(5) As at 30 June 2025, other receivables from the five largest customers are as follows:

RMB'000

Company	Closing balance	Percentage of Total balance of other receivables (%)	Nature	Aging	Allowance for credit losses
Company 1	2,471,172	3.11	Cooperative development funds	More than 3 years	560,353
Company 2	1,868,621	2.35	Cooperative development funds	Within 5 years	1,926
Company 3	1,664,266	2.10	Cooperative development funds	Within 2 years	76,484
Company 4	1,376,289	1.73	Cooperative development funds	Within 4 years	1,376
Company 5	1,314,494	1.66	Cooperative development funds	More than 3 years	71,146
Total	8,694,842	10.95			711,285

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

(1) Inventory classification

RMB'000

	30 June 2025			31 December 2024		
	Gross carrying amount	Provision for decline in value	Carrying amount	Gross carrying amount	Provision for decline in value	Carrying amount
Raw materials	27,036,863	35,315	27,001,548	20,534,538	34,771	20,499,767
Work in progress	6,135,856	18,746	6,117,110	5,846,026	20,868	5,825,158
Finished goods	9,011,539	89,115	8,922,424	7,693,800	97,062	7,596,738
Turnover materials	14,637,018	99,514	14,537,504	14,063,189	99,514	13,963,675
Properties under development ⁽³⁾	162,549,673	1,206,567	161,343,106	164,973,827	1,435,764	163,538,063
Completed properties held for sale ⁽⁴⁾	78,819,344	3,765,697	75,053,647	78,274,644	3,581,687	74,692,957
Total	298,190,293	5,214,954	292,975,339	291,386,024	5,269,666	286,116,358

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(2) Movements in provision for impairment of inventories

RMB'000

	Opening balance	Additions		Reductions		Closing balance
		Provision	Others	Reversal	Write-off and Others	
Raw materials	34,771	7,887	–	(7,343)	–	35,315
Work in progress	20,868	–	–	–	(2,122)	18,746
Finished goods	97,062	–	–	–	(7,947)	89,115
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	1,435,764	25,419	–	–	(254,616)	1,206,567
Completed properties held for sale	3,581,687	96,340	243,113	–	(155,443)	3,765,697
Total	5,269,666	129,646	243,113	(7,343)	(420,128)	5,214,954

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(3) Details of the properties under development are listed as follows:

RMB'000

Project name	Construction commencement date	Estimated latest completion date	Estimated aggregate investment amount	30 June 2025	31 December 2024
City Throne Project	October 2023	December 2025	7,104,650	6,900,571	6,667,144
Tianjin Xipai Guoyin Project	October 2018	December 2027	9,092,739	4,225,693	4,148,029
Tiejian City Project	February 2022	December 2025	9,523,672	3,853,312	4,637,152
Shanghai Riverside Mansion Project	September 2023	October 2025	4,515,244	3,753,999	3,762,674
New Xidu Project	June 2023	November 2025	4,457,350	3,496,892	3,277,609
Tiejian City (Guiyang) Project	August 2020	December 2026	3,792,080	3,359,629	3,235,432
Chengdu Wuhou City Park Pure Project	November 2023	November 2025	4,351,390	3,324,295	3,103,725
Chongqing Shanyu Taoyuan Project	June 2022	December 2026	5,088,377	3,067,493	2,875,371
CRCC Chongqing City Park Project	January 2022	June 2026	5,575,299	3,056,167	2,885,886
Sipay Tianzhu and sipay Tianfeng projects	May 2024	December 2025	4,456,757	3,042,302	2,758,676
Lingxiu mansion south area project	December 2018	June 2026	3,826,430	2,892,988	2,891,559
Hefei Huayu Jiangnan Project	November 2023	December 2025	3,217,120	2,727,570	2,574,280
XiPai Chenyue project	July 2019	December 2028	5,961,690	2,705,472	2,584,530
CRCC South China Headquarters Building Project	October 2022	June 2027	5,504,825	2,561,907	2,508,729
Shanghai New Zhongshan Project	June 2025	December 2026	4,536,170	2,560,405	–
Xipai Xiyue Project	December 2023	November 2025	3,235,080	2,527,128	2,383,038
CRCC Guanshan Yundi project	May 2021	December 2025	5,670,710	2,376,654	2,362,750
CRCC Huayu City Project	July 2020	January 2026	3,966,343	2,308,335	2,189,336
CRCC Guijiao Qinfengyasong Project	October 2023	December 2026	4,044,610	2,278,024	2,244,273
Zhuozhou plot 390 Project	November 2025	June 2028	6,020,209	2,271,296	2,231,063
Other projects	–	–	363,259,171	99,259,541	105,652,571
Total	–	–	467,199,916	162,549,673	164,973,827

As at 30 June 2025, The amount of interest expense capitalised in properties under development and completed properties held for sale is was RMB23,833,686,000 (31 December 2024: RMB22,043,213,000). Borrowing costs capitalised for the period ended 30 June 2025 amounted to RMB2,337,875,000 (for the period ended 30 June 2024: RMB2,755,860,000). The capitalisation rates of borrowing costs ranged from 2.2%~7.00% (for the period ended 30 June 2024: 2.35%~7.00%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

(4) Details of the completed properties held for sale are listed as follows:

RMB'000

Project name	Latest completion date	1 January 2025 Gross carrying amount	Additions	Reductions	30 June 2025 Gross carrying amount
CRCC Huayutang Project	June 2025	1,294,016	2,614,595	939,309	2,969,302
Wenzhou Lucheng Future Project	November 2024	2,628,007	218,930	705,479	2,141,458
Chengdu XiPai sands project	June 2025	195,334	1,907,087	21,080	2,081,341
XiPai Yiyuan Project	April 2025	–	2,231,737	250,395	1,981,342
CRCC Xipai Yujiang Project	April 2024	1,936,945	8,475	1,624	1,943,796
Guiyang CRCC International City Project	October 2024	1,962,209	–	61,787	1,900,422
Tianjin Xipai Guoyin Project	November 2024	1,810,370	–	18,515	1,791,855
Xipai Huanhua Project	December 2021	1,616,089	23,168	231	1,639,026
Qingdao CRCC Plaza Project	March 2025	1,162,204	764,904	361,012	1,566,096
Xipai Chenyue Project	September 2023	1,449,030	841	1,122	1,448,749
Tiejianmingxian Mansion Project	February 2025	–	1,990,944	542,326	1,448,618
Florissa Project	August 2023	1,337,730	–	118,616	1,219,114
CRCC Chongqing Xipai City Project	December 2021	1,195,254	15,220	9,031	1,201,443
Wutong Qianshan Project	June 2022	1,156,737	8,577	–	1,165,314
CRCC Huayu Tianchen Project	June 2025	–	1,231,330	85,556	1,145,774
Chengdu Beihu Xinqu Project	December 2019	1,127,612	–	303	1,127,309
CRCC Haiyu East Coast North Zone Project	December 2024	1,189,414	2,539	94,264	1,097,689
CRCC Wutong Garden Project	December 2021	1,123,482	–	53,650	1,069,832
CRCC Future City Project	December 2023	1,157,093	–	97,076	1,060,017
Xintiandi international Washington Project	August 2023	1,003,929	–	–	1,003,929
Other projects	–	54,929,189	9,972,742	17,085,013	47,816,918
Total	–	78,274,644	20,991,089	20,446,389	78,819,344

The restricted inventories of the Group are stated in Note V. 26.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets

Contract assets are from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract term, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is presented as contract asset, and is disclosed in contract assets/other non-current assets based on liquidity. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities.

RMB'000

Item	30 June 2025	31 December 2024
Contract assets	367,069,660	310,952,504
Less: Provision for impairment losses on contract assets	6,658,451	6,202,878
Total	360,411,209	304,749,626

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

- (1) Contract assets and provision for impairment losses for contract assets by category are listed as follows:

RMB'000

30 June 2025					
Category	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	28,167,422	7.67	4,749,348	16.86	23,418,074
Provision for impairment of assets assessed by credit risk portfolio	338,902,238	92.33	1,909,103	0.56	336,993,135
Total	367,069,660	100.00	6,658,451	1.81	360,411,209

RMB'000

31 December 2024					
Category	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	24,426,629	7.86	4,509,706	18.46	19,916,923
Provision for impairment of assets assessed by credit risk portfolio	286,525,875	92.14	1,693,172	0.59	284,832,703
Total	310,952,504	100.00	6,202,878	1.99	304,749,626

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

(1) Contract assets and provision for impairment losses for contract assets by category are listed as follows: (Continued)

Contract assets whose allowance for credit losses were assessed individually are listed as follows:

RMB'000

	30 June 2025				31 December 2024	
	Gross carrying amount	Provision for impairment of assets	Provision percentage (%)	Reasons	Gross carrying amount	Provision for impairment of assets
Company 1	345,605	53,845	15.58	Note	345,605	53,845
Company 2	236,795	74,332	31.39	Note	254,827	69,950
Company 3	280,420	57,344	20.45	Note	268,918	56,849
Company 4	591,280	100,891	17.06	Note	635,220	3,176
Company 5	253,668	253,668	100.00	Note	251,301	1,257
Others	26,459,654	4,209,268	15.91	Note	22,670,758	4,324,629
Total	28,167,422	4,749,348	16.86		24,426,629	4,509,706

Note: The Group provides construction engineering services to the companies. Due to the fact that the companies' funds are expected to be insufficient for the settlement of some contract assets, corresponding impairment provisions have been made.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (Continued)

(1) Contract assets and provision for impairment losses for contract assets by category are listed as follows: (Continued)

As at 30 June 2025, contract assets whose allowance for credit losses were assessed by credit risk portfolio are listed as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets	Provision percentage (%)
Portfolio 1	301,667,898	1,621,726	0.54
Portfolio 2	14,378,289	71,689	0.50
Portfolio 3	4,126,787	19,969	0.48
Portfolio 4	18,729,264	195,719	1.04
Total	338,902,238	1,909,103	0.56

(2) Movements in allowance for credit losses for contract assets are listed as follows:

RMB'000

	Opening balance of the current period	Provision for the period	Reversal for the period	Write-off for the period	Others	Closing balance of current period
For the six months ended 30 June 2025	6,202,878	945,340	(479,720)	(411)	(9,636)	6,658,451

For the six months ended 30 June 2025, there were no significant recoveries, reversals or write-offs of the impairment provisions for contract assets.

The restricted trade receivables of the Group are stated in Note V. 26.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Current portion of non-current assets

RMB'000

	30 June 2025	31 December 2024
Current portion of long-term receivables (Note V, 14)	20,461,396	22,542,952
Current portion of retention receivables (Note V, 25)	10,009,775	9,741,899
Total	30,471,171	32,284,851

11. Other current assets

RMB'000

Item	30 June 2025	31 December 2024
Prepaid taxes and VAT input to be deducted	25,375,277	23,260,649
Reverse repurchase of treasury bonds	5,000,855	4,999,960
Interbank negotiable certificates of deposit	6,459,127	4,968,995
Others	2,246,099	1,793,926
Total	39,081,358	35,023,530

12. Loans and advances to customers

RMB'000

	30 June 2025	31 December 2024
Loans and advances to customers	1,764,139	1,178,416
Less: Provision for impairment losses on loans and advances to customers	59,665	38,215
Total	1,704,474	1,140,201

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Debt investments

RMB'000

	30 June 2025			31 December 2024		
	Gross carrying amount	Allowance for credit losses	Carrying amount	Gross carrying amount	Allowance for credit losses	Carrying amount
Long term loans receivable	7,900,980	3,155,807	4,745,173	7,037,400	3,155,825	3,881,575
Including: Total debt investments due after one year	7,900,980	3,155,807	4,745,173	7,037,400	3,155,825	3,881,575

The changes in the provision for impairment of debt investments are as follows:

RMB'000

	Opening balance of the current period	Provision for the period	Reversal for the period	Closing balance of current period
During the six-month period ended on 30 June 2025	3,155,825	143	(161)	3,155,807

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Debt investment (Continued)

RMB'000

	Phase 1 Future 12-month expected credit losses	Phase 3 Lifetime expected credit losses (Credit- impaired)	Total
Opening balance of the current period	8,361	3,147,464	3,155,825
Provision for the year	140	3	143
Reversal for the year	(161)	–	(161)
Closing balance of the current period	8,340	3,147,467	3,155,807

RMB'000

Category	30 June 2025				
	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	5,392,358	68.25	3,147,467	58.37	2,244,891
Provision for impairment of assets assessed by creditrisk portfolio	2,508,622	31.75	8,340	0.33	2,500,282
Total	7,900,980	100.00	3,155,807	39.94	4,745,173

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Debt investment (Continued)

RMB'000

31 December 2024

Category	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Provision for impairment of assets assessed individually	4,735,274	67.29	3,147,464	66.47	1,587,810
Provision for impairment of assets assessed by creditrisk portfolio	2,302,126	32.71	8,361	0.37	2,293,765
Total	7,037,400	100.00	3,155,825	44.84	3,881,575

For the six months ended 30 June 2025, debt investments written off amounted to nil (2024: Nil).

As at 30 June 2025, the Group's significant debt investments were as follows:

A subsidiary of the Group had entered into an agreement for an interest-bearing loan with a real estate industry customer, and recognised a debt investment with a gross carrying amount of RMB2,927,357,000 (31 December 2024: RMB2,927,357,000). Due to the debt default of this customer, the subsidiary of the Group recognised full provision of impairment through default exposure at the life-time expected credit loss rate.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term receivables

(1) Long-term receivables

RMB'000

	30 June 2025			31 December 2024		
	Gross carrying amount	Allowance for credit losses	Carrying amount	Gross carrying amount	Allowance for credit losses	Carrying amount
Long-term project receivables	115,735,326	2,618,036	113,117,290	102,067,402	2,554,178	99,513,224
PPP project receivables	8,271,400	92,216	8,179,184	9,312,650	81,856	9,230,794
Primary land development receivables	31,318,289	232,086	31,086,203	26,845,072	217,767	26,627,305
Others	24,592,786	1,020,409	23,572,377	30,766,213	1,088,226	29,677,987
Total	179,917,801	3,962,747	175,955,054	168,991,337	3,942,027	165,049,310
Less: Current portion of non-current assets:	20,881,714	420,318	20,461,396	22,971,133	428,181	22,542,952
Including: Long-term project receivables	8,414,633	168,883	8,245,750	10,136,049	258,458	9,877,591
PPP project receivables	2,872,747	124,616	2,748,131	2,533,897	34,438	2,499,459
Primary land development receivables	6,590,364	111,812	6,478,552	8,532,608	126,451	8,406,157
Others	3,003,970	15,007	2,988,963	1,768,579	8,834	1,759,745
Long-term receivables due after one year	159,036,087	3,542,429	155,493,658	146,020,204	3,513,846	142,506,358

Note: as at 30th June 2025, long term receivables with significant financing components are presented at discounted net worth at a discount rate of 3.65% to 4.75% (31 st December 2024: 3.65% to 4.75%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term receivables (Continued)

(2) Disclosed by bad debt accrual method

RMB'000

30 June 2025

	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision Percentage (%)	
Provision for impairment of assets assessed individually	5,222,682	2.90	2,187,158	41.88	3,035,524
Provision for impairment of assets assessed by credit risk portfolio	174,695,119	97.10	1,775,589	1.02	172,919,530
Total	179,917,801	100.00	3,962,747	2.20	175,955,054

31 December 2024

	Gross carrying amount		Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision Percentage (%)	
Provision for impairment of assets assessed individually	5,287,681	3.13	2,255,172	42.65	3,032,509
Provision for impairment of assets assessed by credit risk portfolio	163,703,656	96.87	1,686,855	1.03	162,016,801
Total	168,991,337	100.00	3,942,027	2.33	165,049,310

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term receivables (Continued)

(2) Disclosed by bad debt accrual method

Long term receivables for which bad debt provisions are individually accrued are as follows:

RMB'000

	30 June 2025				31 December 2024	
	Gross carrying amount	Allowance for credit losses	Provision percentage (%)	Reason	Gross carrying amount	Allowance for credit losses
Company 1	1,108,644	346,485	31.25	Note	1,108,644	346,485
Company 2	664,833	430,768	64.79	Note	665,736	430,768
Company 3	295,644	82,366	27.86	Note	294,886	82,155
Company 4	271,215	56,618	20.88	Note	271,215	56,618
Company 5	267,497	151,760	56.73	Note	267,497	151,760
Others	2,614,849	1,119,161	42.80	Note	2,679,703	1,187,386
Total	5,222,682	2,187,158	41.88		5,287,681	2,255,172

Note: According to the recoverability of receivables, the Group recorded allowance for credit losses.

As at 30 June 2025, long-term receivables whose allowance for credit losses were assessed by credit risk portfolio are listed as follows:

RMB'000

	Gross carrying amount	Allowance for credit losses	Provision percentage (%)
Portfolio 1	145,907,120	1,435,987	0.98
Portfolio 2	409,780	2,632	0.64
Portfolio 3	16,783,784	127,492	0.76
Portfolio 4	11,594,435	209,478	1.81
Total	174,695,119	1,775,589	1.02

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term receivables (Continued)

(3) Status of bad debt provision

Movements in the allowance for credit losses of long-term receivables were as follows:

RMB'000

	Opening balance of the current period	Provision for the period	Reversal for the period	Write-off for the period	Others	Closing balance of current period
During the six-month period ending on 30 June 2025	3,942,027	186,147	(164,026)	(290)	(1,111)	3,962,747

The restricted long-term receivables of the Group are stated in Note V. 26

For the six months ended 30 June 2025, the Group derecognised long-term receivables with gross carrying amount of RMB436,152,000 due to the transfer of financial assets (for the year ended 31 December 2024: RMB4,857,802,000), and has recognised losses on derecognition of RMB25,615,000 (for the year ended 31 December 2024: RMB251,735,000).

Assets and liabilities recognised due to continuing involvement in transferred long-term receivables:

As at 30 June 2025, the Group had assets of RMB43,000,000 and liabilities of RMB43,000,000 (as at 31 December 2024: RMB144,759,000 and RMB144,759,000) related to continuing involvement of transferred long-term receivables in previous years.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term equity investments

(1) Long term equity investment

RMB'000

	30 June 2025	31 December 2024
Joint ventures	64,927,825	64,642,831
Associates	88,733,029	89,455,979
Sub-total	153,660,854	154,098,810
Less: Provision for impairment of long-term equity investments	114,410	114,410
Total	153,546,444	153,984,400

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term equity investments (Continued)

(1) Long term equity investment (Continued)

RMB'000

Investee	Changes for the period							Provision for impairment at the end of period
	1 January 2025	Increase in investment	Decrease in investment	Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	30 June 2025
Sichuan Chengmian Cangba Expressway Co., Ltd.	4,383,121	157,999	-	(116,051)	-	-	-	4,425,069
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,776,179	-	-	2,068	-	-	-	3,778,247
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,672,324	-	-	-	-	-	-	3,672,324
Chongqing Yuxiang Fuxian Highway Co., Ltd.	3,228,859	-	-	(83,007)	-	-	-	3,145,852
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,743,812	-	-	44,822	-	-	-	2,788,634
Sichuan Tianfu Airport Expressway Co., Ltd.	2,238,173	227,150	-	(163,986)	-	-	-	2,301,337
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	1,925,311	520,000	-	-	-	-	-	2,445,311
Guiyang Changda Rail Transit Construction Co., Ltd.	1,906,432	9,442	-	(123,802)	-	-	-	1,792,072
Xuchang Municipal Rail Construction Co., Ltd.	1,890,253	-	(10,000)	-	-	-	-	1,880,253
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,101	303,000	-	-	-	-	-	1,991,101
Others	37,141,058	633,849	(653,269)	(420,924)	(17,742)	(1,723)	(22,832)	36,658,417
Total	64,593,623	1,851,440	(663,269)	(860,880)	(17,742)	(1,723)	(22,832)	64,878,617

Note 1: According to the articles of association of Kunming Rail Transit Line 5 Construction & Operation Co., Ltd., the operation policies and investment plans made by the shareholders' meeting and the resolution of the review and approval of board of directors' report shall be subject to all voting rights of shareholders. The Group holds 54.40% shares in Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. and has appointed one director to the board of directors. It can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Note 2: According to the articles of association of Hohhot Metro Line 2 Construction & Management Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.00% shares in Hohhot Metro Line 2 Construction & Management Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for as a joint venture of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term equity investments (Continued)

(1) Long term equity investment (Continued)

RMB'000

Investee	Changes for the period							Provision for impairment at the end of period
	1 January 2025	Increase in investment	Decrease in investment	Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others	30 June 2025
CRCC-Tongguan Investment Co., Ltd.	3,322,928	-	-	40,438	(71,760)	-	(875,337)	2,416,269
CRCC Financial Leasing Co., Ltd. (Note 1)	3,267,958	-	-	119,551	-	20,651	-	3,408,160
Hangqiu Railway Co., Ltd.	2,824,863	11,621	-	-	-	-	-	2,836,484
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	-	-	74,992	-	-	(74,992)	2,463,800
CRCC Ningxia Highway Co. Ltd.	2,063,741	-	-	(36,642)	-	-	-	2,027,099
Shanghai Wanjianglong Real Estate Co., Ltd.	1,846,152	-	-	(2,141)	-	-	-	1,844,011
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	1,815,074	54,753	-	-	-	-	-	1,869,827
Yunnan Kunchu Highway Investment & Development Co., Ltd.	1,792,822	-	-	(42,304)	-	-	-	1,750,518
Kunming Sanqing Highway Co., Ltd.	1,708,752	-	-	(13,969)	-	-	-	1,694,783
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,621,716	-	-	19,914	-	-	-	1,641,630
Others	66,662,971	2,364,143	(2,330,715)	168,902	3,149	2,318	(155,522)	66,715,246
Total	89,390,777	2,430,517	(2,330,715)	328,741	(68,611)	22,969	(1,105,851)	88,667,827

Note 1: According to the articles of association of CRCC Financial Leasing Co., Ltd., the decisions of amending the company's articles of association, increasing the registered capital, resolutions of the company merger, division, dissolution, changing the company form, scope of operations, issuing of corporate bonds and selecting the directors shall be subject to more than two-thirds of voting rights of shareholders. Others shall be subject to more than half of voting rights of shareholders. As the Group holds 50.00% shares in CRCC Financial Leasing Co., Ltd., it can neither control nor jointly control the entity with other shareholders, but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Long-term equity investments (Continued)

(2) Impairment of long-term equity investments

	Opening balance of the current period	Increase during the period	Decrease during the period	Closing balance of current period
Joint Venture PetroChina & CRCC Petroleum Marketing CO., LTD	49,208	–	–	49,208
Associates Concesionaria de Autopistas de Morelos SA de CV-21st Century Highway	65,202	–	–	65,202
Total	114,410	–	–	114,410

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other equity instrument investments

RMB'000

	30 June 2024	31 December 2024
Equity investments in listed companies	1,516,931	1,722,181
Equity investments in unlisted companies	11,998,537	11,445,616
Total	13,515,468	13,167,797

For the six months ended 30 June 2025:

RMB'000

Item	Changes for the period					30 June 2025	Dividends recognised for the period	Accumulated gains and losses included in other comprehensive income at the end of the period
	1 January 2025	Increase of investment	Decrease of investment	Changes in fair value	Others			
Other equity instrument investments	13,167,797	644,628	(183,930)	(113,366)	339	13,515,468	60,201	759,051

2024:

RMB'000

Item	Changes for the year					31 December 2024	Dividends recognised for the year	Accumulated gains and losses included in other comprehensive income at the end of the year
	1 January 2024	Increase of investment	Decrease of investment	Changes in fair value	Others			
Other equity instrument investments	12,575,571	1,077,246	(1,259,609)	774,148	441	13,167,797	153,800	948,660

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other equity instrument investments (Continued)

As at 30 June 2025, a portion of other equity instrument investments held by the Group have been derecognised due to disposal. Accumulated gains transferred to retained earnings due to derecognition are amounted to nil (31 December 2024: RMB242,070,000).

As at 30 June 2025, the Group's listed companies' equity instrument investments designated as those at FVTOCI are as follows:

RMB'000

	30 June 2025	31 December 2024	Reasons for designated at FVTOCI
Times Electric (688187)	417,970	469,616	Note
Bank of Communications (601328)	320,554	311,338	Note
Tongling Nonferrous (000630)	251,302	243,026	Note
SDIC Capital (600061)	–	167,925	Note
Others	527,105	530,276	Note
Total	1,516,931	1,722,181	–

Note: planned longterm equity investments for strategic purposes

17. Other non-current financial assets

RMB'000

	30 June 2025	31 December 2024
Investments in unlisted fund products	9,115,366	8,141,913
Equity investments in listed companies	245,032	177,252
Others	3,077,819	3,056,957
Total	12,438,217	11,376,122

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties

(1) Subsequent measurement under cost method

For the six months ended 30 June 2025:

RMB'000

	Buildings and land use right
Original costs	
Opening balance	18,433,042
Additions	120,679
Transferred in from inventories	148,578
Transferred in from fixed assets	176,881
Disposal	(119,961)
Transferred out to fixed assets	(93,483)
Other	(196,131)
Closing balance	18,469,605
Accumulated depreciation and amortisation	
Opening balance	2,224,939
Provision	273,956
Transferred in from fixed assets	15,404
Other increases	(13,118)
Disposal	(27,237)
Transferred out to fixed assets	(3,442)
Closing balance	2,470,502
Provision for impairment	
Opening balance	226,270
Provision	200
Other	(1,001)
Closing balance	225,469
Carrying amount	
Closing balance	15,773,634
Opening balance	15,981,833

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Investment properties (Continued)

(1) Subsequent measurement under cost method (Continued)

As at 30 June 2025, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB1,195,972,000 (31 December 2024: RMB2,163,912,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 30 June 2025.

The restricted investment properties of the Group are stated in Note V. 26.

19. Fixed assets

For the six months ended 30 June 2025:

RMB'000

	Buildings and structures	Machinery and equipment	Transportation vehicles	Other equipment	Total
Original costs					
1 January 2025	34,021,865	53,897,762	16,596,709	80,342,573	184,858,909
Additions	324,200	1,222,944	425,186	5,145,771	7,118,101
Transferred in from construction in progress	257,469	505,609	23,641	437,667	1,224,386
Transferred in from investment properties	93,483	–	–	–	93,483
Other increases	157,627	502,278	75,518	162,781	898,204
Disposal or retirement	(97,791)	(1,961,366)	(463,166)	(3,446,228)	(5,968,551)
Transferred out to construction in progress	(1,180)	(190,107)	(17,555)	(2,743)	(211,585)
Transferred out to investment properties	(176,881)	–	–	–	(176,881)
Other decreases	(40,773)	(48,596)	(11,016)	(38,917)	(139,302)
30 June 2025	34,538,019	53,928,524	16,629,317	82,600,904	187,696,764

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (Continued)

	Buildings and structures	Machinery and equipment	Transportation vehicles	Other equipment	Total
Accumulated depreciation					
1 January 2025	8,431,720	32,013,290	13,322,326	57,765,482	111,532,818
Provision	540,369	2,261,948	634,316	6,734,763	10,171,396
Transferred in from investment properties	3,442	–	–	–	3,442
Other increases	24,125	272,900	50,137	23,135	370,297
Disposal or retirement	(27,157)	(1,608,288)	(428,709)	(3,330,318)	(5,394,472)
Transferred out to construction in progress	(394)	(95,102)	(14,050)	(2,368)	(111,914)
Transferred out to investment properties	(15,404)	–	–	–	(15,404)
Other decreases	(2,143)	(10,417)	(6,917)	(44,260)	(63,737)
30 June 2025	8,954,558	32,834,331	13,557,103	61,146,434	116,492,426
Provision for impairment					
1 January 2025	174,650	98,591	725	23,658	297,624
Other increases	1,895	–	–	–	1,895
Disposal or retirement	(1,391)	(16)	–	–	(1,407)
30 June 2025	175,154	98,575	725	23,658	298,112
Carrying amount					
30 June 2025	25,408,307	20,995,618	3,071,489	21,430,812	70,906,226
1 January 2025	25,415,495	21,785,881	3,273,658	22,553,433	73,028,467

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Fixed assets (Continued)

(2) Fixed assets without certificates of title

RMB'000

	Carrying amount	Reasons for incomplete title certificates
Building construction	1,830,804	In process

The restricted fixed assets of the Group are stated in Note V. 26.

As at 30 June 2025, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB1,830,804,000 (31 December 2024: RMB3,187,055,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 30 June 2025.

20. Construction in progress

RMB'000

	30 June 2025	31 December 2024
Construction in progress	7,248,313	6,812,863

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

(1) Construction in progress

RMB'000

	30 June 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
CRCC South China Headquarters Building Project	1,011,666	–	1,011,666	995,298	–	995,298
Tiejian Jinshun Plaza	439,468	–	439,468	441,793	–	441,793
CRCC Port and Shipping Project	382,129	–	382,129	326,116	–	326,116
China Railway Construction Yuhu Phase II	343,128	–	343,128	320,138	–	320,138
CRCC Construction Industry Oriented AI Infrastructure Construction Project	315,962	–	315,962	279,130	–	279,130
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project	300,526	–	300,526	293,442	–	293,442
East China Headquarters Office Building	298,178	–	298,178	272,248	–	272,248
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	283,664	–	283,664	284,806	–	284,806
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	234,218	–	234,218	207,834	–	207,834
Shentie Financial Technology Building Office Building	193,967	–	193,967	186,592	–	186,592
Others	3,454,970	9,563	3,445,407	3,215,029	9,563	3,205,466
Total	7,257,876	9,563	7,248,313	6,822,426	9,563	6,812,863

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

(2) Changes in significant construction in progress

For the six months ended 30 June 2025:

RMB'000

	Budgeted amount	Carrying amount at 1 January 2025	Additions	Transfer Out to fixed assets	Others transferred out	Carrying amount at 30 June 2025	Source of funds	Proportion of investment to budget (%)
CRCC South China Headquarters Building Project	2,104,200	995,298	16,368	-	-	1,011,666	Self financing/loan	48
Tiejian Jinshun Plaza	441,793	441,793	26,715	-	(29,040)	439,468	Self financing/loan	99
CRCC Port and Shipping project	764,240	326,116	56,013	-	-	382,129	Self financing/loan	50
China Railway Construction Yuhu Phase II	729,000	320,138	22,990	-	-	343,128	Self financing	47
CRCC Construction Industry Oriented AI Infrastructure Construction Project	400,000	279,130	36,832	-	-	315,962	Self financing	79
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project	521,945	293,442	7,084	-	-	300,526	Self financing/loan	58
East China Headquarters Office Building	600,000	272,248	25,930	-	-	298,178	Self financing	50
Zhejiang Zhoushan Construction Intelligent Manufacturing Technology Industrial Park Project	495,080	284,806	-	(42)	(1,100)	283,664	Self financing/loan	57
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	434,790	207,834	26,384	-	-	234,218	Self financing/loan	54
Shentie Financial Technology Building Office Building	204,701	186,592	7,375	-	-	193,967	Self financing	95
Others		3,215,029	1,626,156	(1,224,344)	(161,871)	3,454,970	Self financing/loan	
Total		6,822,426	1,851,847	(1,224,386)	(192,011)	7,257,876		
Less: Provision for impairment		9,563	-	-	-	9,563		
Net value at the end of the period		6,812,863	1,851,847	(1,224,386)	(192,011)	7,248,313		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Construction in progress (Continued)

(2) Changes in significant construction in progress (Continued)

For the year ended 30 June 2025, construction in progress with a carrying amount of RMB1,224,386,000 (2024: RMB6,368,454,000) and RMB3,363,000 (2024: RMB102,574,000) had been transferred to fixed assets and intangible assets respectively, and the amount transferred into investment real estate was RMB7,596,000 (2024: Nil).

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows:

RMB'000

	Progress as at 30 June 2025	Capitalised amount of borrowing costs as at 30 June 2025	Including: Interest capitalised during the period	Capitalisation rate during the period (%)
CRCC South China Headquarters Building Project	48	64,991	7,893	2.62
CRCC Jinshun Plaza	99	43,188	2,420	2.77
Jingjiang Bridge Science and Technology Industrial Park Steel Structure and Revolving Equipment Manufacturing and Lease Project	58	18,748	–	–
CRCC Port and Shipping Project	50	10,499	5,382	3.03
Shield Tunneling Foundation and Terminal Engineering of Logistic Company	54	5,927	1,233	2.57
Others		36,376	6,480	–
Total	–	179,729	23,408	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Right-of-use assets

(1) Description of right-of-use assets

RMB'000

	Buildings	Machinery	Vehicles	Other equipment	Total
Original costs					
Opening balance	6,240,671	6,186,410	853,503	498,976	13,779,560
Additions	423,244	728,530	115,853	172,887	1,440,514
Disposal or retirement	(352,765)	(708,028)	(15,667)	(25,638)	(1,102,098)
Closing balance	6,311,150	6,206,912	953,689	646,225	14,117,976
Accumulated depreciation					
Opening balance	2,886,160	2,650,078	549,883	188,961	6,275,082
Provision	512,904	731,351	85,858	69,007	1,399,120
Disposal or retirement	(281,319)	(487,942)	(12,972)	(16,863)	(799,096)
Closing balance	3,117,745	2,893,487	622,769	241,105	6,875,106
Carrying amount					
Closing balance	3,193,405	3,313,425	330,920	405,120	7,242,870
Opening balance	3,354,511	3,536,332	303,620	310,015	7,504,478

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets

(1) Intangible assets

RMB'000

	Land use rights	Concession rights	Software licences	Mining rights and others	Total
Original costs					
Opening balance	9,509,414	115,580,568	2,009,591	2,164,461	129,264,034
Additions	106,059	6,639,935	135,312	93,974	6,975,280
Acquisition of subsidiaries <i>(Note)</i>	–	5,407,760	–	–	5,407,760
Transferred in from construction in progress	–	1,424	1,939	–	3,363
Other increase	–	–	–	67,699	67,699
Disposal or retirement	(167,702)	(60,624)	(32,757)	(6,569)	(267,652)
Other decreases	(742)	(254)	(20,420)	–	(21,416)
Closing balance	9,447,029	127,568,809	2,093,665	2,319,565	141,429,068
Accumulated amortisation					
Opening balance	2,288,363	6,134,715	1,291,323	908,799	10,623,200
Provision	93,150	745,084	181,135	39,249	1,058,618
Other increase	–	–	–	50,736	50,736
Disposal or retirement	(430)	–	(29,786)	(6,094)	(36,310)
Other decreases	(185)	(14)	(13,935)	–	(14,134)
Closing balance	2,380,898	6,879,785	1,428,737	992,690	11,682,110
Provision for impairment					
Opening balance	9,043	1,289,035	–	340,367	1,638,445
Closing balance	9,043	1,289,035	–	340,367	1,638,445
Carrying amount					
Closing balance	7,057,088	119,399,989	664,928	986,508	128,108,513
Opening balance	7,212,008	108,156,818	718,268	915,295	117,002,389

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

(1) Intangible assets (Continued)

Note: For the year ended 30 June 2025, the Group's business combinations not involving enterprises under common control and acquisitions of subsidiaries resulted in an increase in concession rights by RMB5,407,760,000, which included the Dezhou to Shangrao Highway Linqing Line, and the Shandong Liaocheng Dong'e to Yanggu Highway.

For the six months ended 30 June 2025, intangible assets recognised through the internal research and development account 0.003% of the closing balance of intangible assets (31 December 2024: 0.02%).

The restricted intangible assets of the Group are stated in Note V. 26.

(2) Intangible assets with incomplete property ownership certification:

	Carrying amount	Reasons for the incomplete property ownership certification
Lijiang St. Regis Garden land use right	114,335	Outstanding pledge
Doumen Base land use right	11,536	Conditions not met
Wuhan Urban Rail Transit R&D Center land use right	8,473	Conditions not met
Lanzhou Minle Road Base land use right	2,228	Conditions not met
Laboratory land use right	58	Conditions not met
Total	136,630	

As at 30 June 2025, the Group was in the process of applying for the title certificates of certain parcels of its land in the PRC with an aggregate carrying amount of RMB136,630,000 (31 December 2024: RMB304,280,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use such land, and also of the opinion that the matter did not have any significant adverse impact on the Group's financial position as at 30 June 2025.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Intangible assets (Continued)

- (3) The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows:

RMB'000

Item	Project progress at the end of the period (%)	Capitalised amount of borrowing costs in the closing balance	Interest capitalised during the period/ from the acquisition date to the period	Capitalisation rate during the period (%)
Sichuan Jianpu Highway Project concession rights	100	1,116,318	–	–
Guizhou Wudang (Yangchang) to Changshun Highway Project concession rights	74	694,945	145,532	3.51
Guizhou Jianhe to Liping Highway Project concession rights	97	639,771	–	–
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT Project concession rights	100	482,037	–	–
Guangxi Nanyuzhu Highway Yuheng Section concession rights	100	276,860	–	–
Highway from Wuxi Chongqing to Zhenping Shaanxi (Chongqing Section)	100	224,636	–	–
Guizhou Anshun to Ziyun Highway Project concession rights	100	153,631	–	–
Henan Lanyuan Expressway Project concession rights	100	137,905	–	–
Xuanwei Beipan River Basin Water Environment Comprehensive Treatment PPP Project concession rights	95	115,898	–	–
Others	–	740,054	151,175	–
Total	–	4,582,055	296,707	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Goodwill

(1) Original costs

RMB'000

	Opening balance	Increase	Decrease	Exchange differences on translation of foreign operations	Closing balance
Acquisition of ALDESA Company (Note 1)	400,346	–	–	46,638	446,984
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	534,843	–	–	46,638	581,481

(2) Provision for impairment

RMB'000

	Opening balance	Increase	Decrease	Exchange differences on translation of foreign operations	Closing balance
Acquisition of ALDESA Company (Note 1)	400,346	–	–	46,638	446,984
Acquisition of CIDEON Company (Note 2)	78,880	–	–	–	78,880
Others	5,855	–	–	–	5,855
Total	485,081	–	–	46,638	531,719

Note 1: The goodwill of EUR54,670,000 was acquired in the business combination involving entities not under common control of GRUPO ALDESA, S. A. ("ALDESA Company") on 8 May 2020. For the six months ended 30 June 2025, the Group recognised accumulated impairment of the goodwill of EUR54,670,000.

Note 2: On 29 February 2016, the Group purchased CIDEON Engineering GmbH & Co.KG, CIDEON Engineering Verwaltungs GmbH and CIDEON Schweiz AG (collectively referred to as "CIDEON Company"), which is a business combination involving entities not under common control and resulted in the increase in goodwill by EUR11,710,000. For the six months ended 30 June 2025, the Group recognised accumulated impairment of the goodwill of EUR10,040,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities

(1) Deferred tax assets not offset

RMB'000

Item	30 June 2025		31 December 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for long-term post-leaving benefits	70,679	14,634	75,606	15,379
Provision for impairment of credit and assets	41,954,525	7,684,600	38,450,806	7,417,002
Deductible tax losses	6,726,736	1,679,351	6,330,815	1,484,094
Lease liabilities	5,738,881	1,011,373	5,559,801	1,082,111
Revaluation surplus from restructuring	1,102,774	275,694	1,112,808	278,210
Unrealised profits of intra-group transactions	9,792,900	2,015,911	8,659,205	1,982,267
Changes in fair value of other equity instrument investments	116,730	28,967	125,807	26,624
Others	7,825,711	1,565,711	7,405,352	1,501,654
Total	73,328,936	14,276,241	67,720,200	13,787,341

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (Continued)

(2) Deferred tax liabilities not offset

RMB'000

Item	30 June 2025		31 December 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Right-of-use assets	6,288,800	1,101,062	6,212,242	1,185,850
Changes in fair value of other equity instrument investments	1,915,168	307,449	2,001,830	323,571
Asset appreciation from appraisal for business combinations involving entities not under common control	348,490	87,042	346,893	86,776
Book-tax temporary differences for revenue recognition	6,318,947	1,579,737	5,432,039	1,358,010
Others	2,673,607	564,862	3,052,241	659,897
Total	17,545,012	3,640,152	17,045,245	3,614,104

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (Continued)

(3) Deferred tax assets or liabilities stated net of offsets:

RMB'000

Item	Offset amount between deferred tax assets and liabilities at the end of the period	Closing balance of deferred tax assets or liabilities after offset	Offset amount between deferred tax assets and liabilities at the beginning of the period	Opening balance of deferred tax assets or liabilities after offset
Deferred tax assets	1,554,901	12,721,340	1,634,841	12,152,500
Deferred tax liabilities	1,554,901	2,085,251	1,634,841	1,979,263

(4) Details of unrecognized deferred tax assets

RMB'000

	30 June 2025	31 December 2024
Deductible temporary differences	17,672,218	16,850,753
Deductible tax losses	29,641,665	27,006,370
Total	47,313,883	43,857,123

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Deferred tax assets/liabilities (Continued)

(5) Maturity analysis of deductible losses of unrecognized deferred tax assets

RMB'000

	30 June 2025	31 December 2024
2025	3,403,177	3,419,779
2026	4,673,784	4,728,944
2027	4,241,208	4,508,318
2028	5,740,937	6,026,313
2029	5,990,840	6,413,900
2030	4,527,232	780,666
2031	400,330	425,648
2032	245,832	294,077
2033	276,966	308,513
2034	100,212	100,212
2035	41,147	–
Total	29,641,665	27,006,370

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets

RMB'000

Item	30 June 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Retention receivables	107,787,007	2,882,300	104,904,707	99,122,514	2,751,775	96,370,739
Contract assets derived from primary land development receivables and other project receivables contract assets derived from primary land development receivables and other project receivables	67,685,545	526,290	67,159,255	64,190,947	527,378	63,663,569
Others	11,154,229	135,543	11,018,686	8,951,104	117,503	8,833,601
Subtotal	186,626,781	3,544,133	183,082,648	172,264,565	3,396,656	168,867,909
Less: Current portion of other non-current assets	10,871,923	862,148	10,009,775	10,622,349	880,450	9,741,899
Total	175,754,858	2,681,985	173,072,873	161,642,216	2,516,206	159,126,010

Contract assets and provision for asset impairment in other non-current assets are disclosed by category as follows:

RMB'000

	30 June 2025			31 December 2024		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Retention receivables	107,787,007	2,882,300	104,904,707	99,122,514	2,751,775	96,370,739
Contract assets derived from primary land development receivables and other project receivables	67,685,545	526,290	67,159,255	64,190,947	527,378	63,663,569
Subtotal	175,472,552	3,408,590	172,063,962	163,313,461	3,279,153	160,034,308

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (Continued)

RMB'000

Category	30 June 2025				
	Gross carrying amount		Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Provision Percentage (%)	
Provision for impairment of assets assessed individually	6,302,962	3.59	2,125,974	33.73	4,176,988
Provision for impairment of assets assessed by credit risk portfolio	169,169,590	96.41	1,282,616	0.76	167,886,974
Total	175,472,552	100.00	3,408,590	1.94	172,063,962

RMB'000

Category	Gross carrying amount		31 December 2024 Provision for impairment of assets		Carrying amount
	Amount	Percentage (%)	Amount	Provision	
				Percentage (%)	
Provision for impairment of assets assessed individually	6,247,834	3.83	2,072,223	33.17	4,175,611
Provision for impairment of assets assessed by credit risk portfolio	157,065,627	96.17	1,206,930	0.77	155,858,697
Total	163,313,461	100.00	3,279,153	2.01	160,034,308

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (Continued)

RMB'000

Contract assets in other non-current assets with provision for impairment of assets assessed individually are as follows:

	30 June 2025				31 December 2024	
	Gross carrying amount	Provision for impairment of assets	Provision percentage (%)	Reason	Gross carrying amount	Provision for impairment of assets
Company 1	1,230,814	183,168	14.88	Low possibility of recoverability	1,242,375	184,888
Company 2	563,149	30,221	5.37	Low possibility of recoverability	563,149	30,221
Others	4,508,999	1,912,585	42.42	Low possibility of recoverability	4,442,310	1,857,114
Total	6,302,962	2,125,974	33.73		6,247,834	2,072,223

As at 30 June 2025 contract assets in other non-current assets whose allowance for credit losses were assessed by credit risk portfolio are as follows:

RMB'000

	Gross carrying amount	Provision for impairment of assets	Provision proportion (%)
Portfolio 1	124,659,134	867,226	0.70
Portfolio 2	10,144,385	65,568	0.65
Portfolio 3	8,792,573	47,287	0.54
Portfolio 4	25,573,498	302,535	1.18
Total	169,169,590	1,282,616	0.76

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Other non-current assets (Continued)

Movements of contract assets and provision for impairment of assets in other non-current assets are as follows:

RMB'000

Item	Opening balance of the current period	Provision for the period	Reversal	Others	Closing balance of current period
For the six months ended 30 June 2025	3,279,153	371,210	(235,563)	(6,210)	3,408,590

For the six months ended 30 June 2025, there were no significant reversals of impairment provisions for other non-current assets.

26. Assets with title restrictions

RMB'000

	30 June 2025	31 December 2024	Reason
Intangible assets	100,272,313	88,986,523	Pledged for loans/ Mortgaged for loans
Inventories	56,339,489	67,381,882	Mortgaged for loans
Contract assets	28,596,341	26,337,133	Pledged for loans
Cash and bank balances	14,993,091	16,359,789	Note
Long-term receivables	11,270,161	10,269,134	Pledged for loans
Trade receivables	5,882,203	3,090,368	Pledged for loans
Investment properties	2,438,948	2,729,706	Mortgaged for loans
Fixed assets	1,397,433	2,160,613	Mortgaged for loans
Construction in progress	667,191	995,298	Mortgaged for loans
Total	221,857,170	218,310,446	–

Note: As at 30 June 2025, the Group held frozen deposits of RMB6,000,052,000 (31 December 2024: RMB6,635,690,000). The residual amount of RMB3,870,197,000 (31 December 2024: RMB4,480,431,000) was comprised of several kinds of deposits. CRCC Finance Company Limited placed RMB5,122,842,000 (31 December 2024: RMB5,243,668,000) in the central bank as statutory reserves.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Short-term loans

(1) Classification of short-term borrowings

RMB'000

	30 June 2025	31 December 2024
Credit loans	206,926,294	145,547,053
Pledged loans (Note 1, Note 2)	3,073,489	2,333,507
Guaranteed loans (Note 3)	1,046,180	1,537,183
Mortgaged loans (Note 4, Note 5)	724,950	724,950
Total	211,770,913	150,142,693

Note 1: As at 30 June 2025, short-term loans with a carrying amount of RMB3,073,489,000 (31 December 2024: RMB2,187,597,000) were secured by the pledge of the Group's trade receivables and future earnings right, as well as all the interests and gains under the contracts thereof with a carrying amount of RMB3,196,525,000 (31 December 2024: RMB2,224,395,000).

Note 2: As at 30 June 2025, no short-term loans (31 December 2024: RMB145,910,000) were secured by the pledge of the Group's intangible assets (31 December 2024: RMB315,788,000).

Note 3: As at 30 June 2025, all guaranteed loans were guaranteed by the entities comprising the Group (31 December 2024: all guaranteed loans were guaranteed by the entities comprising the Group).

Note 4: As at 30 June 2025, short-term loans with a carrying amount of RMB234,500,000 (31 December 2024: RMB234,210,000) were secured by the mortgage of the Group's fixed assets with a carrying amount of RMB294,878,000 (31 December 2024: RMB282,290,000).

Note 5: As at 30 June 2025, short-term loans with a carrying amount of RMB490,450,000 (31 December 2024: RMB490,740,000) were secured by the mortgage of the Group's investment properties with a carrying amount of RMB160,585,000 (31 December 2024: RMB163,744,000).

As at 30 June 2025, annual interest rates of above short-term loans ranged from 1.00% to 7.51% (31 December 2024: 1.10% to 7.67%).

As at 30 June 2025, the Group had no overdue short-term loans (31 December 2024: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Due to customers

RMB'000

	30 June 2025	31 December 2024
Due to customers	1,257,698	2,051,298

29. Bills payable

RMB'000

	30 June 2025	31 December 2024
Commercial acceptance bills	3,372,310	5,877,551
Bank acceptance bills	32,462,988	35,439,074
Total	35,835,298	41,316,625

As at 30 June 2025, the Group had no unpaid overdue bills payable.

30. Trade payables

(1) Presentation of trade payables

RMB'000

	30 June 2025	31 December 2024
Within 1 year	526,116,384	500,956,993
1 to 2 years	8,284,856	7,165,099
2 to 3 years	1,894,846	2,127,572
Over 3 years	2,412,267	2,563,976
Total	538,708,353	512,813,640

As at 30 June 2025, trade payables aged over one year amounted to RMB12,591,969,000 (31 December 2024: RMB11,856,647,000), primarily consisted of payables for construction contracts and materials. Since the progress of relevant projects had not reached the point of payments, these trade payables had not been settled.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities

(1) Presentation of contract liabilities

RMB'000

	30 June 2025	31 December 2024
Advances for construction operations	71,501,762	81,561,817
Advances for the sale of properties (Note 3)	57,327,529	55,475,086
Advances for the sale of materials	3,067,649	2,202,546
Advances for the sale of goods	1,110,453	1,274,422
Others	1,142,747	1,135,479
Total	134,150,140	141,649,350

(2) Material contract liabilities with an account age of more than 1 year

RMB'000

	30 June 2025	Reasons
Company 1	737,000	Work performed but not billed
Company 2	453,317	Work performed but not billed
Company 3	660,138	Work performed but not billed
Company 4	290,665	Work performed but not billed
Company 5	155,970	Work performed but not billed
Total	2,297,090	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (continued)

(3) Advances for the sale of properties

RMB'000

Project name	30 June 2025	Percentage of pre-sales (%)	Estimated completion date
Chengdu Wuhou City Park Pure Project	4,675,075	93	November 2025
Shanghai Riverside Mansion Project	4,383,413	98	October 2025
City Throne Project	3,539,635	46	December 2025
Xipai Zhenjing Yayuan Project	2,850,670	80	December 2025
New Xidu Project	2,238,012	59	November 2025
Hefei Huayu Jiangnan Project	2,057,063	60	December 2025
Xipai Jiaozi Project	1,532,931	89	December 2025
Wuhou 51mu Project	1,456,454	74	December 2025
Changsha Huayu Jiangnan Project	1,292,103	37	December 2025
Xipai Jinshafu Project	1,220,826	25	June 2025
Tiejian City Project	1,166,558	25	December 2025
CRCC Xipai Lanting Project	1,023,408	38	September 2025
Boya District (Phase I) Urban Renewal Project	959,170	84	June 2025
Chongqing Shanyu Taoyuan Project	896,377	3	December 2026
Xipai Xiyue Project	890,067	19	November 2025
Jinan Tuhedong Project	889,028	59	June 2025
CRCC Fengyue Bay Project	870,020	63	June 2026
CRCC Huayu Tianjing Phase I Project	842,393	72	June 2026
Xipaiyiyuan Project	807,365	42	April 2025
CRCC Lot 03 Project	742,566	45	December 2025
Others	22,994,395	–	–
Total	57,327,529	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable

(1) Employee benefits payable :

RMB'000

	1 January 2025	Accrued	Paid	30 June 2025
Short-term benefits	13,544,265	32,301,731	(34,487,448)	11,358,548
Post-employment benefits (defined contribution plans)	2,504,581	4,481,182	(4,585,817)	2,399,946
Total	16,048,846	36,782,913	(39,073,265)	13,758,494

(2) Short-term benefits:

RMB'000

	1 January 2025	Accrued	Paid	30 June 2025
Salaries, bonuses, allowances and subsidies	9,207,379	22,253,268	24,176,271	7,284,376
Staff welfare	–	1,841,177	1,841,177	–
Social insurance	1,514,085	2,265,848	2,291,439	1,488,494
Including: Medical insurance	1,348,452	2,010,064	2,039,757	1,318,759
Work injury insurance	129,339	214,976	209,777	134,538
Maternity insurance	36,294	40,808	41,905	35,197
Housing funds	1,222,464	2,319,331	2,398,434	1,143,361
Union fund and employee education fund	874,436	480,605	529,662	825,379
Others	725,901	3,141,502	3,250,465	616,938
Total	13,544,265	32,301,731	34,487,448	11,358,548

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable

(3) Defined contribution plan:

RMB'000

	1 January 2025	Accrued	Paid	30 June 2025
Basic pension insurance	1,627,047	3,314,976	3,297,295	1,644,728
Unemployment insurance	98,693	126,191	122,815	102,069
Supplementary pension insurance	778,841	1,040,015	1,165,707	653,149
Total	2,504,581	4,481,182	4,585,817	2,399,946

Defined contribution plan includes basic pension insurance and unemployment insurance managed by local governments and the Group's supplementary pension insurance. In addition to the monthly payments, the Group is no longer liable for further payments. Relevant expenditures are capitalised or expensed in the period when incurred.

33. Taxes payable

RMB'000

	30 June 2025	31 December 2024
VAT	1,768,443	2,381,631
EIT	2,817,064	3,671,037
Others	1,087,001	2,086,037
Total	5,672,508	8,138,705

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables

RMB'000

	30 June 2025	31 December 2024
Dividends payable	6,204,769	1,296,068
Other payable	125,299,037	119,007,952
Total	131,503,806	120,304,020

(1) Information about natures of other payables

RMB'000

	30 June 2025	31 December 2024
Payables for advances	40,758,350	39,750,746
Guarantees and deposits	31,481,415	34,573,655
Amounts due to related parties	27,280,669	23,133,873
Amounts due to partners	5,286,929	4,762,573
Dividends payable	6,204,769	1,296,068
Others	20,491,674	16,787,105
Total	131,503,806	120,304,020

(2) Material other payables with an account age of more than 1 year or overdue

RMB'000

	30 June 2025	Reasons
Company 1	917,547	Payables not settled
Company 2	213,576	Payables not settled
Company 3	201,317	Payables not settled
Company 4	174,280	Payables not settled
Company 5	99,173	Payables not settled
Total	1,605,893	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Current portion of non-current liabilities

RMB'000

	30 June 2025	31 December 2024
Current portion of long-term loans (Note V. 37)	53,126,524	46,323,516
Current portion of bonds payable (Note V. 38)	21,124,275	19,600,735
Current portion of long-term payables (Note V. 40)	8,280,391	8,000,818
Current portion of lease liabilities (Note V. 39)	2,290,465	2,255,090
Current portion of provisions	357,794	304,957
Current portion of post-employment benefits payable	18,525	21,987
Total	85,197,974	76,507,103

The current portion of long-term loans are as follows:

RMB'000

	30 June 2025	31 December 2024
Credit loans	42,426,433	31,816,420
Mortgaged loans (Note V. 37 (Note 4, Note 5, Note 7, Note 8))	4,541,534	7,495,417
Pledged loans (Note V. 37 (Note 1, Note 2, Note 3))	4,299,468	3,984,657
Guaranteed loans (Note V. 37 (Note 9))	1,859,089	3,027,022
Total	53,126,524	46,323,516

36. Other current liabilities

RMB'000

	30 June 2025	31 December 2024
Amounts to be transferred to output VAT	39,219,913	40,973,876
Short-term unsecured financing bonds (Note 1)	2,008,689	2,011,724
Others	499,693	424,040
Total	41,728,295	43,409,640

Note 1: Short-term unsecured financing bonds bear a fixed interest rate, with repayment of principal and interest at maturity.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Other current liabilities (Continued)

The movements of short-term unsecured financing bonds are listed as follows:

RMB'000

Bond name	Par value	coupon rate	Issuance date	Bond term	Opening balance	Net amount of issuance during the period	Interests accrued	Amortisation of discounts and premium and effects of exchange rate	Repayment of principal and interest for the period	Closing balance	breach of contract
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase I in 2025	RMB1 billion yuan	1.77%	5 June 2025	150 days	-	999,958	-	-	-	999,958	no
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase II in 2025	RMB 0.5 billion yuan	1.75%	18 June 2025	160 days	-	499,978	-	-	-	499,978	no
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase I in 2024	RMB1 billion yuan	2.42%	12 September 2024	270 days	1,006,257	-	9,162	43	1,015,462	-	no
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase II in 2024	RMB0.5 billion yuan	2.09%	23 September 2024	270 days	502,809	-	4,894	25	507,728	-	no
China Railway 11th Bureau Group Co., Ltd. Super Short-Term Commercial Paper (Technology Innovation Bonds) Phase III in 2024	RMB0.5 billion yuan	2.09%	11 October 2024	270 days	502,658	-	6,068	27	-	508,753	no
Total	-	-	-	-	2,011,724	1,499,936	20,124	95	1,523,190	2,008,689	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans

RMB'000

	30 June 2025	31 December 2024
Credit loans	168,385,062	137,950,250
Pledged loans (Note 1, Note 2, Note 3)	86,624,022	69,634,559
Mortgaged loans (Note 4, Note 5, Note 6, Note 7, Note 8)	25,557,808	25,241,688
Guaranteed loans (Note 9)	1,908,990	2,236,123
Total	282,475,882	235,062,620

As at 30 June 2025, the annual interest rate of long-term borrowings varied from 0.75% to 5.85% (31 December 2024: 0.75% to 6%).

Note 1: As at 30 June 2025, long-term loans with a carrying amount of RMB71,886,461,000 including current portion of long-term loans of RMB1,207,981,000 (31 December 2024: RMB53,292,981,000, including current portion of long-term loans of RMB1,130,866,000) were secured by pledge of the Group's concession rights with a carrying amount of RMB99,909,370,000 (31 December 2024: RMB88,231,975,000).

Note 2: As at 30 June 2025, long-term loans with a carrying amount of RMB2,469,700,000 including current portion of long-term loans of RMB407,865,000 (31 December 2024: RMB864,594,000, including current portion of long-term loans of RMB240,717,000) were secured by pledge of the Group's trade receivables with a carrying amount of RMB2,685,678,000 (31 December 2024: RMB865,973,000).

Note 3: As at 30 June 2025, long-term loans with a carrying amount of RMB16,567,329,000 including current portion of long-term loans of RMB2,683,622,000 (31 December 2024: RMB19,461,641,000, including current portion of long-term loans of RMB2,613,074,000) were secured by pledges of the Group's contract assets of primary land development and other projects with a carrying amount of RMB28,596,341,000 (31 December 2024: the Group's contract assets of primary land development and other projects with a carrying amount of RMB26,337,133,000), and long-term receivables with a carrying amount of RMB11,270,161,000 (31 December 2024: RMB10,269,134,000).

Note 4: As at 30 June 2025, long-term loans with a carrying amount of RMB991,612,000 including current portion of long-term loans of RMB62,205,000 (31 December 2024: RMB967,780,000, including current portion of long-term loans of RMB66,264,000) were secured by mortgage of the Group's fixed assets with a carrying amount of RMB1,102,555,000 (31 December 2024: RMB1,878,323,000).

Note 5: As at 30 June 2025, long-term loans with a carrying amount of RMB26,945,227,000 including current portion of long-term loans of RMB4,372,339,000 (31 December 2024: RMB29,348,907,000, including current portion of long-term loans of RMB7,323,527,000) were secured by mortgage of the Group's inventories with a carrying amount of RMB56,339,489,000 (31 December 2024: RMB67,381,882,000).

Note 6: As at 30 June 2025, long-term loans with a carrying amount of RMB601,601,000 (31 December 2024: RMB660,819,000) were secured by mortgage of the Group's construction in progress with a carrying amount of RMB667,191,000 (31 December 2024: RMB995,298,000).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (Continued)

Note 7: As at 30 June 2025, long-term loans with a carrying amount of RMB875,211,000 including current portion of long-term loans of RMB70,131,000 (31 December 2024: RMB1,248,676,000 including current portion of long-term loans of RMB70,126,000) were secured by mortgage of the Group's investment properties with a carrying amount of RMB2,278,363,000 (31 December 2024: RMB2,565,962,000).

Note 8: As at 30 June 2025, long-term loans with a carrying amount of RMB685,691,000 including current portion of long-term loans of RMB36,859,000 (31 December 2024: RMB510,923,000, including current portion of long-term loans of RMB35,500,000) were secured by mortgage of the Group's land use rights with a carrying amount of RMB362,943,000 (31 December 2024: RMB438,760,000).

Note 9: As at 30 June 2025, the guaranteed long-term loans, including current portion of long-term loans of RMB1,859,089,000 (31 December 2024: RMB3,027,022,000), were all internally guaranteed by the entities comprising the Group.

As at 30 June 2025, the Group had no overdue long-term loans (31 December 2024: Nil).

The maturity profile of the long-term loans as at the end of the period is listed as follows:

RMB'000

	30 June 2025	31 December 2024
Within one year or paid on demand (<i>Note V. 35</i>)	53,126,524	46,323,516
In the second year (inclusive)	67,173,521	57,199,589
In the second to fifth year (inclusive)	117,346,807	93,699,707
Over five years	97,955,554	84,163,324
Total	335,602,406	281,386,136

38. Bonds payable

(1) Bonds payable

RMB'000

	30 June 2025	31 December 2024
Bonds payable	53,154,279	52,321,218
Less: Current portion of bonds payable (<i>Note V. 35</i>)	21,124,275	19,600,735
Non-current portion of bonds payable	32,030,004	32,720,483

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable

As at 30 June 2025, balances of bonds payable are listed as follows:

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
CRCC Huayuan Limited Guaranteed Note due in 2027 with principal of RMB350 million and interest rate of 2.60% (Note 1)	3,500,000	2.60%	25 September 2024	3years	3,500,000	3,516,528	-	45,102	2,824	45,126	3,521,328	NO
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of public placement corporate bonds to professional investors	3,590,000	4.05%	15 September 2020	3+2years	3,590,000	3,433,727	185,000	66,047	579	-	3,685,353	NO
China Railway Construction Corporation Limited - 2024 first issue of medium term note	3,000,000	2.28%	1 August 2024	10years	3,000,000	3,024,778	-	33,919	137	-	3,058,834	NO
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of public placement corporate bonds to professional investors	2,896,500	3.65%	18 March 2022	3+2years	2,896,500	2,976,137	1,742,348	48,799	664	1,855,348	2,912,600	NO
China Railway Construction Real Estate Group Co., Ltd. - 2024 first issue of public placement corporate bonds to professional investors	2,410,000	3.30%	17 January 2024	3+2years	2,410,000	2,474,934	-	60,171	454	99,000	2,436,559	NO
CRCC Hean Limited Guaranteed Note due in 2026 with principal of EUR 300 million and interest rate of 0.875% (Note 2)	EUR 300 million	0.88%	20 May 2021	5years	EUR 300 million	2,267,253	-	11,511	263,754	21,213	2,521,305	NO

RMB'000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	4.45%	9 January 2023	3+2years	2,200,000	2,265,884	-	49,612	328	97,900	2,217,924	NO
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	4.50%	12 March 2020	3+2years	2,100,000	2,170,554	-	23,625	321	2,194,500	-	NO
CFCC Hean Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 3)	USD 300 million	1.88%	20 May 2021	5years	USD 300 million	2,159,010	-	20,137	(8,189)	20,231	2,150,727	NO
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	1,830,000	3.84%	10 March 2023	3+2years	1,830,000	1,876,168	-	37,295	221	96,000	1,817,684	NO
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	4.17%/3.25%	2 March 2021	3+2years	2,000,000	1,873,289	170,000	21,614	604	65,000	2,000,507	NO
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,760,000	3.43%	27 June 2022	3+2years	1,760,000	1,787,827	-	58,267	502	68,600	1,777,996	NO

RMB'000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

RMB'000

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	Breach of contract
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,679,900	3.67%	25 March 2022	3+2years	1,679,900	1,724,500	150,000	27,663	1,409	212,490	1,691,282	NO
China Railway Construction Corporation Limited – 2024 first issue of public placement technology innovation corporate bonds to professional investors (variety II)	1,700,000	2.57%	26 July 2024	30years	1,700,000	1,717,861	-	21,665	12	-	1,739,538	NO
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public placement corporate bonds to professional investors	1,300,000	3.78%/3.68%	22 January 2021	3+2years	1,300,000	1,347,066	-	23,920	285	47,840	1,323,451	NO
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public placement corporate bonds to professional investors	1,300,000	3.95%/3.55%	3 February 2021	3+2years	1,300,000	1,339,801	-	23,075	283	46,150	1,317,009	NO

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
China Railway Construction Corporation Limited – 2024 first issue of public placement technology innovation corporate bonds to professional investors (variety I)	1,300,000	2.49%	26 July 2024	20years	1,300,000	1,313,214	-	16,052	16	-	1,329,282	NO
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of green medium term note	1,300,000	3.58%	17 July 2023	3+2years	1,300,000	1,256,094	60,000	24,820	230	-	1,341,144	NO
China Railway Construction Real Estate Group Co., Ltd. – 2024 first issue of medium term note	1,210,000	3.00%	26 February 2024	3+2years	1,210,000	1,236,099	-	26,959	218	45,000	1,220,276	NO
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	1,220,000	3.40%	15 July 2022	3+2years	1,220,000	1,133,873	100,000	22,156	325	-	1,256,354	NO
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public placement corporate bonds to professional investors	1,110,000	3.28%/2.50%	1 September 2021	3+2years	1,110,000	1,116,916	-	14,042	257	-	1,133,215	NO

RMB'000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

RMB'000

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,390,000	3.30%	18 May 2022	3+2years	1,390,000	1,110,240	581,000	30,626	1,212	330,500	1,392,578	NO
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	890,000	4.30%	23 March 2020	3+2years	890,000	918,453	-	9,568	249	928,270	-	NO
China Railway Construction Investment Group Co., Ltd. – 2024 first issue of public placement corporate bonds to professional investors	1,000,000	2.40%	10 October 2024	10years	1,000,000	864,915	140,000	12,609	47	-	1,017,571	NO
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety I)	950,000	3.20%	27 May 2022	3years	950,000	835,007	180,000	16,616	377	1,032,000	-	NO
China Railway Construction Real Estate Group Co., Ltd. – 2024 second issue of medium term note	690,000	3.20%	7 March 2024	3+2years	690,000	704,831	-	21,010	140	32,000	693,981	NO

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

RMB'000

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
China Railway Construction Real Estate Group Co., Ltd. - 2022 fourth issue of medium term note	700,000	3.74%	12 October 2022	3+2years	700,000	703,170	-	13,090	184	-	716,444	NO
CRCC Kunlun Investment Group Co., Ltd. - 2024 first issue of medium term note	700,000	2.48%	21 August 2024	10years	700,000	702,793	-	8,588	172	-	711,553	NO
China Railway Construction Investment Group Co., Ltd. - 2020 first issue of public placement Corporate bond (variety II)	600,000	3.45%	11 March 2020	5+2years	600,000	615,527	470,000	3,150	4,985	490,700	602,962	NO
China Railway Construction Real Estate Group Co., Ltd. - 2023 first issue of green medium term note	700,000	3.55%	10 April 2023	3+2years	700,000	612,289	100,000	15,652	150	24,850	703,241	NO
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of targeted placement notes	500,000	3.70%	6 January 2022	3+2years	500,000	521,159	25,000	3,917	620	43,500	507,196	NO
China Railway Construction Real Estate Group Co., Ltd. - 2023 first issue of targeted placement notes	500,000	3.30%	22 March 2023	3+2years	500,000	509,047	-	9,750	103	14,938	503,962	NO

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

RMB'000

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	3.35%	24 August 2022	3+2years	500,000	504,694	-	8,389	173	-	513,256	NO
China Railway Construction Real Estate Group Co., Ltd. – 2023 second issue of targeted placement notes	500,000	3.65%	4 July 2023	3+2years	500,000	502,341	-	9,125	92	-	511,558	NO
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	300,000	3.99%	28 March 2022	3+2years	300,000	313,120	-	2,993	419	316,532	-	NO
China Railway Construction Real Estate Group Co., Ltd. – 2024 third issue of medium term note	310,000	2.53%	5 June 2024	3+2years	310,000	313,014	-	8,741	72	12,650	309,177	NO
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	290,000	3.70%	25 March 2022	3+2years	290,000	297,837	80,000	5,030	540	91,100	292,307	NO

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

RMB'000

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	breach of contract
China Railway Construction Real Estate Group Co., Ltd. - 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	270,000	3.68%	27 May 2022	5 years	270,000	275,248	-	13,444	131	18,400	270,423	NO
China Railway Construction Real Estate Group Co., Ltd. - 2025 first issue of medium term note	700,000	2.60%	20 February 2025	3+2 years	700,000	-	700,000	6,081	114	-	706,195	NO
China Railway Construction Real Estate Group Co., Ltd. - 2025 second issue of medium term note	770,000	2.89%	6 March 2025	3+2 years	770,000	-	770,000	5,152	(59)	-	775,093	NO
China Railway Construction Real Estate Group Co., Ltd. - 2025 third issue of medium term note	770,000	2.68%	3 April 2025	3+2 years	770,000	-	770,000	3,279	(48)	-	773,231	NO

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

As at 30 June 2025, balances of bonds payable are listed as follows: (Continued)

RMB'000

	Par value	Annual interest rate	Issue date	Maturity	Amount	Opening balance	Amount issued	Interest accrued in the period	Discount or premium amortisation and exchange effects	Principal and interest paid in the period	Closing balance	Breach of contract
China Railway Construction Real Estate Group Co., Ltd. - 2025 first issue of public placement corporate bonds to professional investors	1,000,000	2.47%	25 June 2025	3+2years	1,000,000	-	1,000,000	-	-	-	1,000,000	NO
China Railway Construction Real Estate Group Co., Ltd. - 2025 fourth issue of medium term note	700,000	2.58%	9 May 2025	3+2years	700,000	-	700,000	1,238	(55)	-	701,183	NO
Total	-	-	-	-	-	52,321,218	7,923,348	884,699	274,852	8,249,838	53,154,279	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (Continued)

(2) Details of bonds payable (Continued)

Note 1: The 3-year RMB bonds issued by the Group's overseas subsidiary in the international market are guaranteed by the Company, with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Note 2: The 5-year EUR bonds issued by the Group's overseas subsidiary in the international market are guaranteed by the Company, with fixed interest rate, yearly interest payment and principal repayment at maturity.

Note 3: The 5-year USD bonds issued by the Group's overseas subsidiary in the international market are guaranteed by the Company, with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Besides the long term bonds mentioned above, others were general corporate bonds issued on Shanghai Stock Exchange, and unsecured medium-term Notes, non-public directional debt financing instruments issued in National Association of Financial Market Institutional Investors. The relevant long term bonds were with fixed interest rates, interest repayment based on scheduled repayment dates and principal repayment at maturity. For certain bonds, at the end of third year or the fifth year, issuer have right to adjust coupon rate and redeem, and investor have right to put back option.

39. Lease liabilities

RMB'000

	30 June 2025	31 December 2024
Lease liabilities	6,145,936	6,452,125
Less: Total current portion of lease liabilities (<i>Note V. 35</i>)	2,290,465	2,255,090
Total non-current portion of lease liabilities	3,855,471	4,197,035

RMB'000

	30 June 2025	31 December 2024
Due within one year	2,290,465	2,255,090
Due within two years	1,716,749	1,732,822
Due within three to five years (included three and five years)	1,345,889	1,362,084
Over five years	792,833	1,102,129
Total	6,145,936	6,452,125

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Long-term payables

RMB'000

	30 June 2025	31 December 2024
Long-term payables	59,739,877	57,539,696
Special payables	289,635	296,795
Total	60,029,512	57,836,491
Less: Current portion of long-term payables (Note V. 35)	8,280,391	8,000,818
Total non-current portion of long-term payables	51,749,121	49,835,673

(1) Information about nature of long-term payables

	30 June 2025	31 December 2024
Retention payables and long-term project payables	49,371,557	46,882,729
Payables for specific items	4,506,580	4,330,152
Others	5,861,740	6,326,815
Total	59,739,877	57,539,696
Less: Current portion of long-term payables (Note V. 35)	8,280,391	8,000,818
Total non-current portion of long-term payables	51,459,486	49,538,878

(2) An maturity analysis of long-term payables is listed as follow:

RMB'000

	30 June 2025	31 December 2024
Due within one year	8,280,391	8,000,818
Due in two years	24,234,670	31,215,749
Due within three to five years (included three and five years)	21,104,992	12,960,126
Over five years	6,119,824	5,363,003
Total	59,739,877	57,539,696

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Share capital

RMB'000

	1 January 2025	Increase	Decrease	30 June 2025
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

42. Other equity instruments

RMB'000

Item		1 January 2025	Increase	Decrease	30 June 2025
2019 and 2020 renewable loans	Note 1	22,200,000	–	–	22,200,000
2024 renewable corporate bonds	Note 2	16,489,155	–	–	16,489,155
2022 renewable corporate bonds	Note 3	10,993,335	–	2,198,696	8,794,639
2021 renewable corporate bonds	Note 4	4,297,248	–	–	4,297,248
2023 renewable corporate bonds	Note 5	4,196,933	–	–	4,196,933
2023 medium-term notes Phase I	Note 6	2,995,466	–	–	2,995,466
2022 medium-term notes Phase I	Note 7	2,995,372	–	–	2,995,372
2025 renewable corporate bonds	Note 8	–	5,996,282	–	5,996,282
2025 medium-term notes Phase I	Note 9	–	1,798,679	–	1,798,679
2025 medium-term notes Phase II	Note 10	–	2,198,587	–	2,198,587
Total		64,167,509	9,993,548	2,198,696	71,962,361

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 1: In 2019 and 2020, the Company entered into renewable loans contracts with an aggregate principal amount of RMB35,600,000,000. Pursuant to the terms of these renewable loans contracts, the Company has the option to redeem the renewable loans at the expiration of 5 years or 7 years or 10 years since the investment principal transfer date, if no redemption requested at the time point mentioned above, the investment term of the relevant investment principal will be continued, the Company will have option to request for redemption before three months at the expiration date of 1 year or 3 years. The nominal interest rate of the renewable loans mentioned above in the first loan term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent loan terms is adjusted as the current prime interest rate plus initial spread plus 100 or 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The loans are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the loans did not satisfy the definition of financial liabilities, and recognised the renewable loans as other equity instruments. In 2022 and 2021, the Company redeemed part of the above renewable loans, the principal redeemed amounted to RMB13,400,000,000.

Note 2: From June to November 2024, the Company issued renewable bonds with an aggregate principal amount of RMB16,500,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 150 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB16,489,155,000, net of the relevant expenses of issuance of RMB10,845,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 3: On April 2022, July 2022, and December 2022, the Company issued renewable bonds respectively with an aggregate principal amount of RMB11,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 or 310 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB10,993,335,000, net of the relevant expenses of issuance of RMB6,665,000. In 2025, the Company redeemed a portion of the above-mentioned perpetual bonds, with the redemption principal amounting to RMB2,200,000,000. The difference of RMB1,304,000 between the principal repaid and the carrying amount was credited to the capital reserve.

Note 4: On June 2021, November 2021, and December 2021, the Company issued renewable bonds respectively with an aggregate principal amount of RMB9,600,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB9,593,972,000, net of the relevant expenses of issuance of RMB6,028,000. In 2024, the Company redeemed part of the above renewable bonds, the principal redeemed amounted to RMB5,300,000,000. The differences between redeemed principal and the carrying amount of RMB3,276,000 are included in capital reserve.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 5: On June 2023 and December 2023, the Company issued renewable bonds respectively with an aggregate principal amount of RMB4,200,000,000. Pursuant to the terms of the renewable bonds, for the phase-I renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points; for the phase-II renewable bond, the nominal interest rate in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 200 basis points. The maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB4,196,933,000, net of the relevant expenses of issuance of RMB3,067,000.

Note 6: On September 2023, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,466,000, net of the relevant expenses of issuance of RMB4,534,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 7: On October 2022, the Company issued medium-term notes with an aggregate principal amount of RMB3,000,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 300 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At the third, the fifth or each interest payment date thereafter of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,995,372,000, net of the relevant expenses of issuance of RMB4,628,000.

Note 8: On April 2025, and May 2025, the Company issued renewable bonds respectively with an aggregate principal amount of RMB6,000,000,000. Pursuant to the terms of the renewable bonds, the nominal interest rate of the renewable bonds in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent bond terms is adjusted as the current prime interest rate plus initial spread plus 150 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. At the end of each term, the Company has option to extend one period of the above renewable bonds, or to redeem the bonds in full amount. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restrictions as to the number of times the distribution can be deferred. The renewable bonds are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the renewable bonds did not satisfy the definition of financial liabilities, and recognised the renewable bonds as other equity instruments with the net proceeds from the issuance amounting to RMB5,996,282,000, net of the relevant expenses of issuance of RMB3,718,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (Continued)

Note 9: On March 2025, the Company issued medium-term notes with an aggregate principal amount of RMB1,800,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 150 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At each interest reset date of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB1,798,679,000, net of the relevant expenses of issuance of RMB1,321,000.

Note 10: On March 2025, the Company issued medium-term notes with an aggregate principal amount of RMB2,200,000,000. Pursuant to the terms of the medium-term notes, the nominal interest rate of the medium-term notes in the first term is the initial prime interest rate plus initial spread, while the nominal interest rate in the subsequent terms is adjusted as the current prime interest rate plus initial spread plus 150 basis points, the maximum nominal interest rate has not exceeded the average level of interest rate of the instruments with similar type and industry during the same period. As long as the compulsory interest payment events have not occurred, the Company may, at its sole discretion, elect to defer the distribution of interest at each interest payment date of the medium-term notes, and is not subject to any restrictions as to the number of times the distribution can be deferred. At each interest reset date of the medium-term notes, the Company has option to redeem the current medium-term notes based on the nominal value plus interest payable (including all deferred payment of interest or interest accrued thereon). The medium-term notes are subordinated to the issuer's general debts upon bankruptcy liquidation. According to the above terms, the Company has no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the medium-term notes did not satisfy the definition of financial liabilities, and recognised the medium-term notes as other equity instruments with the net proceeds from the issuance amounting to RMB2,198,587,000, net of the relevant expenses of issuance of RMB1,413,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Capital reserve

RMB'000

	1 January 2025	Increase	Decrease	30 June 2025
Share premium	47,980,021	–	–	47,980,021
Relocation compensation granted by government	160,961	–	–	160,961
Others	(176,919)	(1,304)	–	(178,223)
Total	47,964,063	(1,304)	–	47,962,759

44. Other comprehensive income

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position:

For the six months ended 30 June 2025:

RMB'000

	1 January 2025	Increase/ (decrease)	30 June 2025
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	301,747	(86,353)	215,394
Changes in fair value of other debt investments	1,994	(1,192)	802
Effect of deferred tax from changes in fair value of other debt investments	(151)	298	147
Changes in fair value of other equity instrument investments	1,059,371	(98,913)	960,458
Effect of deferred tax from changes in fair value of other equity instrument investments	(259,858)	18,465	(241,393)
Changes in fair value of receivables at FVTOCI	(6,602)	1,438	(5,164)
Effect of deferred tax from changes in fair value of receivables at FVTOCI	610	(271)	339
Exchange differences on translation of foreign operations	(2,340,070)	(184,738)	(2,524,808)
Others	(62,819)	–	(62,819)
Total	(1,305,778)	(351,266)	(1,657,044)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (Continued)

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position: (continued)

2024:

	RMB'000		
	1 January 2024	Increase/ (decrease)	31 December 2024
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	240,019	61,728	301,747
Changes in fair value of other debt investments	10,310	(8,316)	1,994
Effect of deferred tax from changes in fair value of other debt investments	(2,230)	2,079	(151)
Changes in fair value of other equity instrument investments	614,157	445,214	1,059,371
Effect of deferred tax from changes in fair value of other equity instrument investments	(167,134)	(92,724)	(259,858)
Changes in fair value of receivables at FVTOCI	(1,487)	(5,115)	(6,602)
Effect of deferred tax from changes in fair value of receivables at FVTOCI	(382)	992	610
Exchange differences on translation of foreign operations	(1,260,186)	(1,079,884)	(2,340,070)
Others	(100,561)	37,742	(62,819)
Total	(667,494)	(638,284)	(1,305,778)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss:

For the six months ended 30 June 2025:

RMB'000

	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(113,366)	(18,465)	(80,448)	(14,453)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	(86,353)	–	(86,353)	–
Changes in fair value of other debt investments	(2,725)	(681)	(894)	(1,150)
Changes in fair value of receivables at FVTOCI	1,827	271	1,167	389
Exchange differences on translation of foreign operations	(192,053)	–	(184,738)	(7,315)
Subtotal	(392,670)	(18,875)	(351,266)	(22,529)
Less: Other comprehensive income carried forward to retained earnings	–	–	–	–
Total	(392,670)	(18,875)	(351,266)	(22,529)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (Continued)

Other comprehensive income in the statement of profit or loss: (Continued)

2024:

	RMB'000			
	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	774,148	92,724	594,560	86,864
Others	1,538	644	895	(1)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	61,728	–	61,728	–
Changes in fair value of other debt investments	(5,248)	(1,312)	(6,237)	2,301
Changes in fair value of receivables at FVTOCI	(6,674)	(992)	(4,123)	(1,559)
Exchange differences on translation of foreign operations	(1,101,281)	–	(1,079,884)	(21,397)
Subtotal	(275,789)	91,064	(433,061)	66,208
Less: Other comprehensive income carried forward to retained earnings	205,223	–	205,223	–
Total	(481,012)	91,064	(638,284)	66,208

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Special reserve

RMB'000

	1 January 2025	Increase	Decrease	30 June 2025
Production safety expenses	–	8,411,377	8,411,377	–

46. Surplus reserve

RMB'000

	1 January 2025	Increase	Decrease	30 June 2025
Statutory surplus reserve	6,789,771	–	–	6,789,771

In accordance with the Company Law and the Company's articles of association, the Company appropriated 10% of the net profit to the surplus reserve, which is limited to 50% of the Company's registered capital.

The Company and certain of its subsidiaries are authorised to allocate the discretionary surplus reserve from profit after tax after the allocation of the statutory reserve. Upon approval, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Retained earnings

RMB'000

	For the six months ended 30 June 2025	2024
Retained earnings at the beginning of the period/year	197,055,973	181,825,095
Net profit attributable to owners of the Company	10,701,474	22,215,074
Less: Appropriation to statutory surplus reserve	–	–
Cash dividend declared for ordinary shares (Note 1)	4,073,862	4,752,840
Interest distributed to other equity instruments holders (Note 2)	1,180,996	2,436,579
Others	–	205,223
Retained earnings at the end of the period/year	202,502,589	197,055,973

Note 1: In accordance with the resolution at the 2024 annual general meeting of shareholders on 20 June 2025, the Company declared a cash dividend for the year ended 31 December 2024 of RMB0.30 per share (2024: RMB0.35 per share), which amounted to RMB4,073,862,000 (2024: RMB4,752,840,000) based on 13,579,541,500 ordinary shares in issue. The above dividends have been paid after the general meeting of shareholders.

Note 2: For the six months ended 30 June 2025, the Company accrued interest of other equity instruments holders amounting to RMB1,180,996,000 (2024: RMB2,436,579,000).

48. Revenue and cost of sales

(1) Revenue and cost of sales

RMB'000

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	484,829,067	442,686,265	511,971,764	465,827,777
Other operating revenue	4,369,978	3,251,466	4,164,954	3,242,464
Total	489,199,045	445,937,731	516,136,718	469,070,241

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales (Continued)

(2) Disaggregation of revenue

For the six months ended 30 June 2025:

RMB'000

Operating segments	Construction operations	Real estate development operations	Manufacturing operations	Plan, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
A point in time	-	20,677,313	9,004,089	693,501	17,114,535	47,489,438
Over time	430,364,856	-	-	6,015,377	4,193,861	440,574,094
Revenue arising from leases	-	78,092	319,198	28,970	709,253	1,135,513
Total	430,364,856	20,755,405	9,323,287	6,737,848	22,017,649	489,199,045

For the six months ended 30 June 2024:

RMB'000

Operating segments	Construction operations	Real estate development operations	Manufacturing operations	Plan, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
A point in time	-	31,461,375	8,684,801	1,442,808	18,885,691	60,474,675
Over time	444,519,432	-	-	6,542,194	3,657,706	454,719,332
Revenue arising from leases	-	86,250	298,033	-	558,428	942,711
Total	444,519,432	31,547,625	8,982,834	7,985,002	23,101,825	516,136,718

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales (Continued)

(3) Disaggregation of cost of sales

For the six months ended 30 June 2025:

RMB'000

Operating segments	Construction operations	Real estate development operations	Manufacturing operations	Plan, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
A point in time	-	18,612,888	6,675,480	488,185	14,930,489	40,707,042
Over time	397,960,040	-	-	3,549,997	2,804,409	404,314,446
Cost arising from leases	-	66,177	194,750	17,988	637,328	916,243
Total	397,960,040	18,679,065	6,870,230	4,056,170	18,372,226	445,937,731

For the six months ended 30 June 2024:

RMB'000

Operating segments	Construction operations	Real estate development operations	Manufacturing operations	Plan, design and consultancy operations	Other business operations	Total
Timing of revenue recognition						
A point in time	-	27,877,780	6,269,985	792,274	16,503,871	51,443,910
Over time	410,472,494	-	-	3,803,618	2,557,324	416,833,436
Cost arising from leases	-	61,047	184,617	-	547,231	792,895
Total	410,472,494	27,938,827	6,454,602	4,595,892	19,608,426	469,070,241

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales (Continued)

(4) Performance obligation

Revenue from:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Contract liabilities at the beginning of the period	71,354,342	87,692,311

The construction services provided by the Group are mainly identified as single performance obligation and met the criteria of performance obligation performed over time. As at 30 June 2025, for the construction services in progress, the transaction prices allocated to their unsatisfied (including partially unsatisfied) performance obligations are based on their performance progress over the relevant construction contract periods and would be recognised as revenue based on their performance progress in future construction contract periods.

49. Taxes and surcharges

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
CCT	405,916	360,590
Property tax	180,531	179,171
Stamp duty	320,317	340,372
Others	566,762	681,535
Total	1,473,526	1,561,668

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Selling and distribution expenses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Employee compensation costs	1,389,849	1,387,267
Advertising and publicity expenses	780,171	919,512
Others	542,148	657,324
Total	2,712,168	2,964,103

51. General and administrative expenses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Employee compensation costs	6,955,964	7,301,290
Depreciation expenses of fixed assets	506,321	572,456
Office, travelling and transportation expenses	435,423	536,728
Others	1,341,995	1,824,676
Total	9,239,703	10,235,150

52. Research and development expenses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Employee compensation costs and material costs	7,516,476	8,610,730

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Finance costs

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Interest expenses	8,453,397	7,334,354
Less: Interest income	1,826,595	1,683,522
Less: Interest capitalised	2,657,990	3,132,555
Exchange gains	(855,163)	(558,092)
Bank charges and others	1,151,796	998,307
Total	4,265,445	2,958,492

The amount of capitalised interest had been included in construction in progress (Note V. 20), intangible assets (Note V. 22) and the balances of properties under development (Note V. 8 (3)).

54. Investment losses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Share of losses of long-term equity investments under the equity method	(532,139)	(504,647)
Investment (losses)/income from disposal of long-term equity investments	(2,359)	2,522
Losses from derecognition of financial assets measured at amortised cost	(738,859)	(878,391)
Investment income from holding other equity instrument investments	60,201	44,254
Investment income from holding and disposal of held-for-trading financial assets and other financial assets	309,944	206,768
Investment income from holding debt investments	77,959	84,679
Others	113,796	91,518
Total	(711,457)	(953,297)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Impairment of credit losses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Losses from impairment of receivables	(1,627,623)	(1,695,259)
Losses from impairment of loans to customers	(21,450)	(8,360)
Total	(1,649,073)	(1,703,619)

56. Impairment losses on assets

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Losses from impairment of contract assets	(601,267)	(427,263)
Losses from decline in value of inventories	(122,303)	(130,774)
Others	(33,102)	(136)
Total	(756,672)	(558,173)

57. Non-operating income

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Non-recurring profit or loss of the period
Government grants	18,062	27,786	18,062
Approved unpayable balances	284,662	189,166	284,662
Gains on compensation, penalties and fines	189,384	187,361	189,384
Gains on retirement of non-current assets	14,034	17,840	14,034
Others	96,273	61,613	96,273
Total	602,415	483,766	602,415

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Non-operating income (Continued)

Government grants credited to profit or loss for the period are listed as follows:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Related to assets/ income
Enterprise development funds	135,176	62,342	Related to assets/income
Refund of taxes	19,575	18,267	Related to income
Others	97,324	139,551	Related to assets/income
Total	252,075	220,160	–
Including: Other income	234,013	192,374	–
Non-operating income	18,062	27,786	–

58. Non-operating expenses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Non- recurring profit or loss of the period
Loss on compensation, penalties and fines	283,682	243,394	283,682
Loss on retirement of non-current assets	48,683	40,021	48,683
Donations	3,500	12,273	3,500
Others	32,276	26,143	32,276
Total	368,141	321,831	368,141

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Costs and expenses classified by nature

Supplementary information of the Group's costs of sales, selling and distribution expenses, general and administrative expenses, research and development expenses categorised by nature is listed as follows:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Cost of services rendered	367,932,935	379,479,673
Cost of goods sold	39,633,554	50,385,710
Employee benefits (Note V. 32)	36,760,816	40,013,386
Depreciation expenses on fixed assets (Note V. 19)	10,171,396	9,062,267
Research and development expenditure	5,311,403	6,199,522
Depreciation expenses on right-of-use assets (Note V. 21)	1,399,120	1,113,242
Amortisation expenses on intangible assets (Note V. 22)	1,058,618	834,581
Depreciation expenses on investment properties (Note V. 18)	273,956	184,422
Others	2,864,280	3,607,421
Total	465,406,078	490,880,224

60. Income tax expenses

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Current tax expenses	3,233,219	3,272,193
Deferred tax expenses	(441,716)	(369,415)
Total	2,791,503	2,902,778

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Income tax expenses (Continued)

A reconciliation of the income tax expense applicable to profit before tax is listed as follows:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Profit before tax	15,353,454	17,861,036
Income tax at the statutory income tax rate (<i>Note</i>)	3,838,364	4,465,259
Tax effect of preferential tax rates for some subsidiaries	(1,034,286)	(1,169,626)
Tax effect of share of profits and losses of joint ventures and associates	133,035	126,162
Effect of non-taxable income	(164,718)	(103,524)
Effect of non-deductible expenses	48,423	124,401
Effect of utilisation of deductible tax losses previously not recognised	(28,288)	(219,441)
Effect of utilisation of deductible temporary differences previously not recognised	(62,908)	(85,696)
Tax preference for qualifying research and development expenses	(671,295)	(678,940)
Effects of deductible losses not recognised as deferred tax assets in the current period	687,112	626,189
Effects of deductible temporary differences not recognised as deferred tax assets in the current period	268,274	226,069
Adjustments in respect of current income tax of previous periods	(33,450)	(106,446)
Interest on perpetual bonds deductible before tax	(199,070)	(209,118)
Others	10,310	(92,511)
Income tax expense	2,791,503	2,902,778

Note: The income tax of the Group which shall be paid in PRC is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other jurisdictions is calculated at the respective statutory tax rates according to existing laws, interpretations and practices of the country or jurisdictions in which the Group operates.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Earnings per share

RMB'000

	For the six months ended 30 June 2025 RMB/share	For the six months ended 30 June 2024 RMB/share
Basic earnings per share		
Profit or loss from continuing operations	0.70	0.79
Diluted earnings per share		
Profit or loss from continuing operations	0.70	0.79

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the period.

The numerator of diluted earnings per share shall be determined based on the current net profit attributable to the ordinary shareholders of the Company after adjusting the following factors: interest on diluted potential ordinary shares recognized as expenses in the current period; Income or expenses that would be incurred on conversion of dilutive potential ordinary shares; And the income tax consequences of the above adjustments.

The denominator of diluted earnings per share is equal to the sum of the following two items: the weighted average number of ordinary shares issued by the parent company in the basic earnings per share; And the weighted average number of ordinary shares added assuming the conversion of dilutive potential ordinary shares into ordinary shares.

In calculating the weighted average of the number of ordinary shares increased by the conversion of dilutive potential ordinary shares into issued ordinary shares, the dilutive potential ordinary shares issued in previous periods are assumed to be converted at the beginning of the current period; Diluted potential ordinary shares issued in the current period are assumed to be converted at the issuance date.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Earnings per share (Continued)

Basic earnings per share and diluted earnings per share are calculated as follows:

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Earnings		
Net profit attributable to shareholders of the Company		
Profit or loss from continuing operations	10,701,474	11,902,158
Less: at attributable to holder of other equity instruments (Note 1)	1,180,996	1,210,128
Net profit attributable to ordinary shareholders	9,520,478	10,692,030
Attributable to:		
Profit or loss from continuing operations	9,520,478	10,692,030
Shares		
Weighted average number of ordinary shares issued by the Company	13,579,541,500	13,579,541,500

Note 1: In accordance with the relevant clauses and regulations of perpetual bonds as stated in Note V. 42, in calculating the basic earnings per share, the dividends of other equity instruments included in the net profit attributable to shareholders of the parent company is deducted. The total amount of dividends accrued for the six months ended 30 June 2025 is RMB1,180,996,000 (For the six months ended 30 June 2024: RMB 1,210,128,000).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Notes to items in the statement of cash flows

(1) Cash from other operating activities

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Cash received from other operating activities:		
Amounts due from/to related parties	4,219,313	7,348,795
Income from sales of raw materials	1,036,067	1,152,595
Others	7,351,234	1,537,734
Total	12,606,614	10,039,124
Cash paid for other operating activities:		
Loans for cooperative development project	3,563,568	2,720,391
Advertising and publicity expenses	780,171	919,512
Office and travelling expenses	654,166	822,012
Advance payments	1,154,969	2,459,473
Others	5,837,282	5,708,808
Total	11,990,156	12,630,196

(2) Cash from other financing activities

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Cash paid for other financing activities:		
Cash paid from redemption of other equity instruments	10,758,992	11,844,778
Cash paid for lease liabilities	1,596,396	1,186,882
Others	922,972	389,279
Total	13,278,360	13,420,939

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Notes to items in the statement of cash flows (Continued)

(2) Cash from other financing activities(Continued)

Changes in various liabilities arising from financing activities are as follows:

RMB'000

	1 January 2025	Increase		Decrease		30 June 2025
		Changes in cash	Changes in non-cash	Changes in cash	Changes in non-cash	
Short- term loans	150,142,693	209,482,207	3,259,143	(151,113,130)	–	211,770,913
Long- term loans (including current portion of long- term loans)	281,386,136	80,133,548	9,737,181	(35,654,459)	–	335,602,406
Bonds payable (including current portion of bonds payable)	52,321,218	7,923,348	1,159,551	(8,249,838)	–	53,154,279
Lease liabilities (including current portion of lease liabilities)	6,452,125	–	1,583,535	(1,596,396)	(293,328)	6,145,936
Long- term payables (relating to financing)	3,406,702	896,696	15,276	(922,972)	–	3,395,702
Other payables (relating to financing)	5,324,311	–	–	–	(5,324,311)	–
Other payables (dividends payable)	1,296,068	–	7,157,312	(2,248,611)	–	6,204,769
Other current liabilities (short- term commercial paper)	2,011,724	1,499,936	20,219	(1,523,190)	–	2,008,689
Total	502,340,977	299,935,735	22,932,217	(201,308,596)	(5,617,639)	618,282,694

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows generated from operating activities:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Net profit	12,561,951	14,958,258
Add: Impairment losses on assets	756,672	558,173
Impairment of credit losses	1,649,073	1,703,619
Depreciation of fixed assets	10,171,396	9,062,267
Depreciation of right-of-use assets	1,399,120	1,113,242
Amortisation of intangible assets	1,058,618	834,581
Amortisation of investment properties	273,956	184,422
Amortisation of long-term prepayments	131,086	139,526
Losses from retirement and disposal of fixed assets, intangible assets and other long-term assets	(14,391)	(145,025)
Losses on fair value changes	193,134	278,239
Finance costs	5,650,458	3,700,261
Investment losses	103,937	166,424
Increase in deferred tax assets	(563,632)	(330,543)
Increase/(Decrease) in deferred tax liabilities	121,916	(38,872)
Increase in inventories	(6,981,284)	(6,533,007)
Increase in contract assets	(56,127,203)	(11,136,572)
Increase in operating receivables	(13,083,744)	(58,793,026)
Decrease in operating payables	(38,125,019)	(37,414,930)
Decrease in the deposits with the central bank	120,826	16,680
Decrease in other restricted monetary funds	1,245,872	–
Net cash flows generated from operating activities	(79,457,258)	(81,676,283)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the consolidated statement of cash flows (Continued)

(1) Supplementary information to the statement of cash flows (Continued)

Significant investing and financing activities not involving cash:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Increase in right-of-use assets	1,438,951	1,587,415

Net change in cash and cash equivalents:

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Cash at the end of the period	161,261,319	141,003,964
Less: Opening balance of cash	161,550,931	150,866,988
Add: Closing balance of cash equivalents	2,410,183	3,760,404
Less: Opening balance of cash equivalents	5,820,689	1,770,789
Net decrease in cash and cash equivalents	(3,700,118)	(7,873,409)

(2) Cash and cash equivalents

RMB'000

	30 June 2025	31 December 2024
Cash	161,261,319	161,550,931
Including: Cash on hand	82,519	57,041
Cash with banks/financial institutions without restriction	161,178,800	161,493,890
Cash equivalents	2,410,183	5,820,689
Closing balance of cash and cash equivalents	163,671,502	167,371,620

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the consolidated statement of cash flows (Continued)

(3) Vendor financing arrangements

The Group handles reverse factoring business through banks to provide factoring services for the Group's accounts payable to relevant suppliers. The banks agree to transfer the accounts receivable from designated suppliers to the Group for reasons such as selling goods and providing services to the Group, and provide financing services to relevant suppliers. Factoring is at the discretion of the supplier and the participating supplier can receive payment from the bank in advance. The payment terms between the Group and the supplier have not changed due to the reverse factoring arrangement, and the Group has not provided guarantees to banks.

The Group handles reverse factoring business through the supply chain financial service platform provided by financial institutions. The original creditor (supplier of the Group) initiates an application through the platform and provides accounts receivable information and trade background information. After the platform reviews, the electronic creditor's rights voucher is generated and submitted to the Group for confirmation through the platform. The Group's payment obligations under electronic creditor's rights certificates are unconditional and irrevocable, and are not affected by commercial disputes between parties involved in the circulation of electronic creditor's rights certificates. The Group does not claim set-off or defend against the payment liability. The Group will transfer an amount equal to the amount under the electronic creditor's rights certificate on the payment date according to the business rules of the platform.

Information on financial liabilities related to supplier financing is as follows:

RMB'000

	Gross carrying amount	30 June 2025 Including: Amount received by suppliers	Maturity range
Trade payables	99,672,659	51,689,733	6-12months

RMB'000

	Gross carrying amount	31 December 2024 Including: Amount received by suppliers	Maturity range
Trade payables	125,149,928	87,608,769	6-12months

The payment maturity range of the Group's supplier financing arrangements is basically within one year, which is basically consistent with the maturity range of comparable accounts payable.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Foreign currency monetary items

RMB'000

	Closing balance of foreign currencies	Exchange rate	Closing balance in RMB
Cash and bank balances			14,336,481
U.S. Dollar	888,609	7.1586	6,361,194
Euro	316,879	8.4024	2,662,540
MOP	730,514	0.8847	646,286
HKD	748,186	0.9120	682,346
Others			3,984,115
Trade receivables			8,987,654
U.S. Dollar	171,985	7.1586	1,231,174
Euro	166,839	8.4024	1,401,851
DZD	29,543,539	0.0551	1,627,849
Others			4,726,780
Other receivables			1,884,102
THB	696,177	0.2197	152,950
Others			1,731,152
Trade payables			11,176,138
U.S. Dollar	234,426	7.1586	1,678,164
DZD	49,119,183	0.0551	2,706,467
Others			6,791,507
Other payables			2,371,012
TZS	13,061,481	0.0027	35,266
Others			2,335,746
Short- term loans			5,741,545
U.S. Dollar	111,000	7.1586	794,605
Euro	585,996	8.4024	4,923,775
Others			23,165
Long- term loans (including long-term loans due within one year)			429,735
Euro	22,486	8.4024	188,940
Others			240,795
Bonds payable (including current portion of bonds payable)			4,672,032
U.S. Dollar	300,440	7.1586	2,150,727
Euro	300,070	8.4024	2,521,305

Note: The Group's main operating location is Mainland China and its overseas markets spread across 100 countries and regions. There are no individually material foreign operations, and the foreign operations determine the functional currencies according to the currencies of the principal economic environments in which they operate. The Company, the subsidiaries, and the foreign operations determined the foreign currency monetary items mentioned above in accordance with their functional currencies respectively.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VI. CHANGES OF CONSOLIDATION SCOPE

1. Others

The Group acquired assets through the acquisition of subsidiaries, bringing companies including China Railway Construction Investment (Shandong) Dongyang Expressway Co., Ltd. and China Railway Construction Investment (Linqing) Highway Construction Co., Ltd. into the consolidated scope. The individual amounts of assets, liabilities, and operating income of the above subsidiaries as of the acquisition date were not material. As a result of the above transactions, the Group's total assets increased by RMB9,293,533,000 at the acquisition date, not deducting the acquisition consideration, and total liabilities increased by RMB7,423,615,000.

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

(1) Composition of the enterprise group

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
The significant subsidiaries acquired through establishing or investment						
China Civil Engineering Construction Corporation	Beijing	Beijing	Construction	3,000,000	100.00	–
China Railway 11th Bureau Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction	6,162,382	81.62	–
China Railway 12th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	5,060,677	100.00	–
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,200,000	100.00	–
China Railway 14th Bureau Group Co., Ltd.	Jinan, Shandong	Jinan, Shandong	Construction	3,391,534	79.02	–
China Railway 15th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	3,000,000	100.00	–
China Railway 16th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	4,400,000	100.00	–
China Railway 17th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	3,021,226	100.00	–
China Railway 18th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,523,404	80.30	–
China Railway 19th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	5,086,000	100.00	–
China Railway 20th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	3,385,831	70.41	–
China Railway 21st Bureau Group Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Construction	2,038,000	100.00	–
China Railway 22nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	2,000,000	100.00	–
China Railway 23rd Bureau Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Construction	2,000,000	100.00	–
China Railway 24th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	2,000,000	100.00	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(1) Composition of the enterprise group (Continued)

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Railway 25th Bureau Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction	2,007,800	100.00	–
China Railway First Survey and Design Institute Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Plan, design and consultancy	1,030,000	100.00	–
China Railway Fourth Survey and Design Institute Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Plan, design and consultancy	1,052,500	100.00	–
China Railway Construction Group Co., Ltd.	Beijing	Beijing	Construction	3,502,971	85.64	–
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	3,800,000	100.00	–
China Railway Material Group Co., Ltd.	Beijing	Beijing	Purchase and sales of goods and materials	3,023,400	100.00	–
CRCC High- Tech Equipment Corporation Limited	Kunming, Yunnan	Kunming, Yunnan	Manufacturing operations	1,519,884	63.70	1.30
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development and operation	7,000,000	100.00	–
China Railway Construction Heavy Industry Corporation Limited	Changsha, Hunan	Changsha, Hunan	Manufacturing operations	5,333,497	71.93	0.36
China Railway Construction Investment Group Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Project investment, Construction	12,067,086	87.34	–
CRCC Finance Company Limited	Beijing	Beijing	Financial services	9,000,000	94.00	–
China Railway Construction Corporation (International) Limited	Beijing	Beijing	Construction	3,012,500	100.00	–
CRCC Capital Holdings Group Co., Ltd.	Beijing	Beijing	Financial services	5,000,000	100.00	–
China Railway Urban Construction Group Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction	2,789,839	71.69	–
CRCC Kunlun Investment Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Project investment, Construction	5,087,166	70.77	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:

RMB'000

Subsidiary	Shareholding proportion (%)	Net profit or loss attributable to non- controlling interests	Dividends distributed to non- controlling shareholders	Accumulated balances of non- controlling interests at the reporting date
China Railway Construction Investment Group Co., Ltd. (Note)	12.66	416,501	375,707	18,493,140
CRCC Kunlun Investment Group Co., Ltd. (Note)	29.23	91,867	225,346	9,823,768
China Railway 14th Bureau Group Co., Ltd. (Note)	20.98	74,226	138,394	6,169,639
China Railway 18th Bureau Group Co., Ltd. (Note)	27.71	203,882	125,659	4,965,063
China Railway Construction Heavy Industry Corporation Limited	14.36	71,208	90,361	3,906,438

Note: The mentioned above subsidiaries issued financial instruments, such as outstanding renewable corporate bonds and medium-term notes, which are recognised in other equity instruments and presented under the line item of "non-controlling interests" in the consolidated balance sheet of the Group. The shareholding proportion of minority shareholders of these subsidiaries represents the proportion of equity interests held by minority shareholders other than holders of other equity instruments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(3) The main financial information of The subsidiaries with significant non-controlling interests are listed as follows:

The main financial information of the aforementioned subsidiaries are listed as follows. These figures represent the amounts before any offsetting among the enterprises within the group:

For the six months ended 30 June 2025

RMB'000

	China Railway Construction Investment Group Co., Ltd.	CRCC Kunlun Investment Group Co., Ltd.	China Railway 14th Bureau Group Co., Ltd.	China Railway 18th Bureau Group Co., Ltd.	China Railway Construction Heavy Industry Corporation Limited
Current assets	42,439,500	26,263,239	63,995,243	64,865,275	17,134,190
Non- current assets	177,267,793	106,057,262	43,411,718	27,223,935	9,911,559
Total assets	219,707,293	132,320,501	107,406,961	92,089,210	27,045,749
Current liabilities	80,927,305	46,291,727	84,990,196	67,370,508	8,075,712
Non- current liabilities	100,096,364	58,673,932	7,201,940	12,709,894	1,118,530
Total liabilities	181,023,669	104,965,659	92,192,136	80,080,402	9,194,242
Revenue	12,950,962	12,027,294	41,989,563	36,134,257	4,837,383
Net profit	434,619	342,650	814,110	839,731	735,683
Total comprehensive income	446,808	342,650	814,110	831,394	737,655
Net cash flows from/(used in) operating activities	196,734	944,058	(3,000,292)	(8,063,447)	191,947

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (Continued)

(3) The main financial information of The subsidiaries with significant non-controlling interests are listed as follows: (Continued)

As at 31 December 2024/For the six months ended 30 June 2024

RMB'000

	China Railway Construction Investment Group Co., Ltd.	CRCC Kunlun Investment Group Co., Ltd.	China Railway 14th Bureau Group Co., Ltd.	China Railway 18th Bureau Group Co., Ltd.	China Railway Construction Heavy Industry Corporation Limited
Current assets	30,748,871	23,538,781	67,766,785	52,284,086	16,508,439
Non- current assets	167,383,709	101,796,570	38,375,133	24,899,311	10,203,406
Total assets	198,132,580	125,335,351	106,141,918	77,183,397	26,711,845
Current liabilities	66,285,202	53,659,011	84,394,715	52,777,136	7,555,880
Non- current liabilities	92,199,199	44,387,386	6,389,947	12,389,416	1,578,871
Total liabilities	158,484,401	98,046,397	90,784,662	65,166,552	9,134,751
Revenue	18,167,060	18,830,935	41,943,879	35,964,359	4,803,149
Net profit	1,352,336	1,074,294	710,654	602,898	723,078
Total comprehensive income	1,383,070	1,074,294	710,654	605,788	718,579
Net cash flows from/(used in) operating activities	1,046,506	876,532	(6,519,577)	(5,687,262)	351,887

(4) As at 30 June 2025, the information of financial instruments involved in equity, such as the renewable corporate bonds, medium-term notes publicly and perpetual bonds issued by the several subsidiaries, is listed as follows:

RMB'000

Subsidiary	Amount
China Railway Construction Investment Group Co., Ltd.	6,395,879
China Railway 11th Bureau Group Co., Ltd.	2,496,500
China Railway 14th Bureau Group Co., Ltd.	2,100,000
China Railway Construction Asset Management Co., Ltd.	1,500,000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates

(1) Principal joint ventures or associates

	Principal place of business	Place of registration	Principal activities	Shareholding proportion %		Measurement of joint ventures and associates
				Direct	Indirect	
Joint ventures						
Sichuan Chengmian Cangba Expressway Co., Ltd.	Mianyang, Sichuan	Mianyang, Sichuan	Highway Project Construction & Management	39.5	–	Equity method
Kunming Rail Transit Line 5 Construction and Operation Co., Ltd.	Kunming, Yunnan	Kunming, Yunnan	Investment in Rail Transit Construction	54.4	–	Equity method
Associates						
CRCC Financial Leasing Co., Ltd.	Tianjin	Tianjin	Finance Lease	50.0	–	Equity method
CRCC- Tongguan Investment Co., Ltd.	Tongling Anhui	Tongling Anhui	Mining investment & mine development technical services	30.0	–	Equity method

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

(2) Major financial information of principal joint ventures

The financial information of Sichuan Chengmian Cangba Expressway Co., Ltd. is listed as follows. These financial figures have adjusted for accounting policy differences and have been adjusted to the book value of this financial statement :

RMB'000

	30 June 2025	31 December 2024
Total assets	57,222,593	52,828,580
Total liabilities	45,596,767	41,734,714
Non- controlling interests	–	–
Total equity attributable to owners of the Company	11,625,826	11,093,866
The net assets multiplied by the shareholding proportion	4,592,201	4,382,077
Adjustment event		
– Others	(167,131)	1,044
Carrying amount of investments in the joint ventures attributable to the Group	4,425,070	4,383,121
	For the Six months ended 30 June 2025	For the Six months ended 30 June 2024
Revenue	118,618	567
Finance costs	(202,000)	(619)
Income tax expenses	–	115
Net profit	(293,801)	(18,901)
Other comprehensive income	–	–
Total comprehensive income	(293,801)	(18,901)
Dividends from joint ventures for the period	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

(2) Major financial information of principal joint ventures (Continued)

The financial information of Kunming Rail Transit Line 5 Construction and Operation Co., Ltd. is listed as follows. These financial figures have adjusted for accounting policy differences and have been adjusted to the book value of this financial statement :

RMB'000

	30 June 2025	31 December 2024
Total assets	22,801,102	23,069,082
Total liabilities	15,965,117	16,418,141
Non- controlling interests	–	–
Total equity attributable to owners of the Company	6,835,985	6,650,941
The net assets multiplied by the shareholding proportion	3,718,776	3,618,112
Adjustment event		
– Others	59,471	158,067
Carrying amount of investments in the joint ventures attributable to the Group	3,778,247	3,776,179
	For the Six months ended 30 June 2025	For the Six months ended 30 June 2024
Revenue	235,503	159,736
Finance costs	(208,979)	(163,915)
Income tax expenses	(31,885)	(25,251)
Net profit	5,044	2,396
Other comprehensive income	–	–
Total comprehensive income	5,044	2,396
Dividends from joint ventures for the period	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

(2) Major financial information of principal joint ventures (Continued)

The financial information of CRCC Financial Leasing Co., Ltd. is listed as follows. These financial figures have adjusted for accounting policy differences and have been adjusted to the book value of this financial statement:

RMB'000

	30 June 2025	31 December 2024
Total assets	39,560,551	41,669,857
Total liabilities	32,111,890	34,462,422
Non- controlling interests	–	–
Total equity attributable to owners of the Company	7,448,661	7,207,435
The net assets multiplied by the shareholding proportion	3,724,331	3,603,718
Adjustment event		
– Unrealized profits from internal transactions	(317,590)	(338,241)
– Others	1,419	2,480
Carrying amount of investments in the joint ventures attributable to the Group	3,408,160	3,267,957
	For the Six months ended 30 June 2025	For the Six months ended 30 June 2024
Revenue	967,287	1,700,615
Finance costs	337	618
Income tax expenses	83,860	62,275
Net profit	239,102	186,826
Other comprehensive income	2,125	–
Total comprehensive income	241,227	186,826
Dividends from joint ventures for the period	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

(2) Major financial information of principal associates (Continued)

The financial information of CRCC- Tongguan Investment Co., Ltd. is listed as follows. These financial figures have adjusted for accounting policy differences and have been adjusted to the book value of this financial statement :

RMB'000

	30 June 2025	31 December 2024
Total assets	20,870,694	19,723,106
Total liabilities	12,816,463	8,637,510
Non- controlling interests	–	–
Total equity attributable to owners of the Company	8,054,231	11,085,596
The net assets multiplied by the shareholding proportion	2,416,269	3,325,679
Adjustment event		
– Unrealized profits from internal transactions	–	–
– Others	–	(2,751)
Carrying amount of investments in the joint ventures attributable to the Group	2,416,269	3,322,928
	For the Six months ended 30 June 2025	For the Six months ended 30 June 2024
Revenue	5,328,549	4,774,747
Finance costs	130,540	100,483
Income tax expenses	2,098,873	544,432
Net profit	(2,516)	1,032,084
Other comprehensive income	(108,363)	(134,708)
Total comprehensive income	(110,879)	897,376
Dividends from joint ventures for the period	875,337	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (Continued)

(3) The aggregate financial information of the individually insignificant joint ventures:

RMB'000

	For the Six months ended 30 June 2025	31 December 2024
Equity in joint ventures		
Carrying amount of investments	56,647,658	56,434,323
The total amounts calculated based on the shareholding ratios of the following items		
Net profit	(746,897)	(674,823)
Other comprehensive income	(17,742)	(3,887)
Total comprehensive income	(764,639)	(678,710)

RMB'000

	For the Six months ended 30 June 2025	31 December 2024
Equity in associates		
Carrying amount of investments	82,843,398	82,799,893
The total amounts calculated based on the shareholding ratios of the following items		
Net profit	168,752	(73,298)
Other comprehensive income	3,149	(3,961)
Total comprehensive income	171,901	(77,259)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

3. *Equity in structured entities that have not been merged into the consolidated financial statements*

As at 30 June 2025, the scale of major structured entities that the Group participated in and that were not included in the consolidated financial statements totalled approximately RMB47,209,189,000 (31 December 2024: RMB43,969,089,000). Among them, the subscription amount of the Group was approximately RMB15,462,351,000 (31 December 2024: RMB14,962,251,000) and that of other investors was approximately RMB31,746,838,000 (31 December 2024: RMB29,006,838,000). The Group has no control over this category of structured entity, so the structured entities have not been merged into the consolidated financial statements. As at 30 June 2025, the actual subscription amount paid by the Group was approximately RMB8,854,390,000 (31 December 2024: RMB7,838,503,000), which was accounted in other non-current financial assets. The Group's largest risk exposure in these structured entities is the amount of capital contributed by the Group as of the balance sheet date. The Group has no obligation or intention to provide financial support to the structured entities.

As at 30 June 2025, the Group's cumulative issuance amount of asset-backed securities was RMB82,089,000,000 (31 December 2024: RMB81,150,000,000). The subordinated tranche of the asset-backed securities was RMB4,590,800,000 (31 December 2024: RMB4,242,800,000). On 30 June 2025, the subordinated tranche of asset-backed securities held by the Group was RMB1,059,000,000 (31 December 2024: RMB983,500,000), of which RMB478,800,000 (31 December 2024: RMB404,000,000) was accounted in held- for-trading financial assets and RMB580,200,000 (31 December 2024: RMB579,500,000) was accounted in other non-current financial assets. As for asset-backed securities issued by the Group, it promises to, upon issuance of some asset-backed securities, provide paid temporary liquidity support for the principal of priority asset-backed securities and the difference between the expected returns and the distributable funds for each period of the asset-backed securities special plan, but the Group did not provide such support for some asset-backed securities upon their issuance. The Group assesses that the possibility of triggering liquidity support in the future is minimal.

VIII. GOVERNMENT GRANTS

1. *Liabilities related to government grants*

RMB'000

	Opening balance	Addition	Recognized as non- operating income	Recognized as other income	Recognized as others	Closing balance	Related to Asset/Income
Enterprise development funds	404,209	–	–	(1,870)	(19,478)	382,861	Related to Asset/Income
Research grant	95,813	7,167	–	(37,600)	(1,953)	63,427	Related to Asset/Income
Others	310,785	5,739	(529)	(5,686)	(742)	309,567	Related to Asset/Income
Total	810,807	12,906	(529)	(45,156)	(22,173)	755,855	

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

VIII. GOVERNMENT GRANTS (CONTINUED)

2. Government grants credited to profit or loss for the period are listed as follows

RMB'000

	For the Six months ended 30 June 2025	For the Six months ended 30 June 2024
Asset-related	6,816	3,547
Recognized as other income	6,816	1,219
Recognized as non-operating income	–	2,328
Income-related	245,259	216,613
Recognized as other income	227,197	191,155
Recognized as non-operating income	18,062	25,458
Total	252,075	220,160

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

1. Financial instrument risks

The Group's activities expose it to a variety of financial risks: mainly include credit risk, liquidity risk and market risk. The risk management policy of this group is outlined below.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks, covering market risk, credit risk and liquidity risk management. The management will hold meetings at least four times a year to analyse and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from management. Generally, the Group introduces conservative strategies in risk management. As these risks for the Group are kept at a low level, the Group does not use any derivative instrument and other instruments to hedge these risks in the whole year.

(1) Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable and contract assets balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instrument risks (Continued)

(1) Credit risk (Continued)

Since the counterparties of monetary funds, bank acceptance bills receivable are banks with good reputations and high credit ratings, these financial instruments have low credit risks.

Other financial assets of the Group include notes receivable, accounts receivable, other receivables, non-current assets due within one year, other current assets, loans and advances to customers, debt investments and long-term receivables. The credit risk of these financial assets stems from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

The maximum credit risk exposure that the Group faces on each balance sheet date is the total amount collected from customers minus the amount of impairment allowances.

The Group also faces credit risks due to the provision of financial guarantees, as disclosed in Note XII. 2 for details.

Since the Group only conducts transactions with recognised and reputable third parties, there is no need for collateral. Credit risk is centralized and managed according to customers/ counterparties, geographic regions and industries. Because the Group's accounts receivable customer base is relatively wide. Therefore, there is no significant concentration of credit risk within the Group.

The judgment criteria for the significant increase of credit risk

The Group uses reasonable and supportable forward-looking information available to determine whether the credit risk of financial instruments has increased significantly since initial recognition by comparing the risk of default of financial instruments at the balance sheet date with the risk of default at the date of initial recognition. For financial guarantee contracts, when applying the impairment requirements for financial instruments, the Group regards the date when the Group becomes a party to an irrevocable commitment as the initial recognition date.

The Group's main criteria for judging significant increase in credit risk are that the overdue days exceed 30 days, or one or more of the following indicators have changed significantly: whether the actual or expected operating results of the debtor have changed significantly; whether there has been a significant adverse change in the regulatory, economic or technical environment in which the debtor is located; Whether there has been a significant change in the value of the collateral as collateral for the debt or in the quality of the guarantee or credit enhancement provided by a third party that is expected to reduce the economic incentive of the debtor to repay the debt at the contractual maturity or affect the probability of default; whether the expected performance and repayment behavior of the debtor have changed significantly; whether the Group's credit management methods for financial instruments have changed.

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instrument risks (Continued)

(1) Credit risk (Continued)

The judgment criteria for the significant increase of credit risk (Continued)

At the balance sheet date, if the Group judges that a financial instrument has only a low credit risk, the Group assumes that the credit risk of the financial instrument has not increased significantly since initial recognition. A financial instrument is considered to have a low credit risk if the risk of default is low, the borrower has a strong ability to meet its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and operating environment over a longer period of time that do not necessarily reduce the borrower's ability to meet its contractual cash obligations.

Definition of credit-impaired assets

The Group's main criterion for determining that credit impairment has occurred is that the number of days past due exceeds 90 days. However, in some cases, if internal or external information indicates that the contract amount may not be recovered in full before considering any credit enhancements held, the Group will also consider that credit impairment has occurred.

Credit impairment of financial assets may be caused by the combined action of multiple events, but may not be caused by separately identifiable events. Evidence that a financial asset has been credit-impaired includes the following observable information:

- (1) Significant financial difficulties of the issuer or debtor;
- (2) The debtor breaches the contract, such as default or overdue payment of interest or principal;
- (3) A concession given by the creditor to the debtor for economic or contractual reasons relating to the debtor's financial difficulties that would not otherwise be made by the debtor;
- (4) It is probable that the debtor will become insolvent or undergo other financial reorganisation;
- (5) Other objective evidence indicating credit impairment of financial assets.

The exposure to credit risk

As at 30 June 2025 and 31 December 2024, the exposure to credit risk of notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets, non-current assets due within one year, loans and advances to customers, debt investment and long-term accounts receivable is shown in Note V.3,4,5,7,9,10,12,13,14.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instrument risks (Continued)

(2) Liquidity risk

The objective of the Group is to maintain a balance between sustainability and flexibility in financing through the use of a variety of financing instruments. The Group's operating financing refers to funds generated through operations and borrowings.

Due to the Group's supplier finance arrangements, the relevant accounts payable are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for accounts payable covered by the arrangements are either identical to the payment terms for other accounts payable or extended to basically no more than 1 year. The Group does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk given the payment terms are not significantly extended.

The tables below summaries the maturity profile of the Group's financial liabilities and other liabilities based on the undiscounted contractual cash flows:

30 June 2025

RMB'000

	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term loans	-	214,712,125	-	-	-	214,712,125
Due to customers	1,257,698	-	-	-	-	1,257,698
Bills payable	-	35,835,298	-	-	-	35,835,298
Trade payables	-	538,708,353	-	-	-	538,708,353
Other payables	-	131,503,806	-	-	-	131,503,806
Other current liabilities	-	2,497,501	-	-	-	2,497,501
Long-term borrowings (including the portion due within one year)	-	61,924,510	74,398,563	129,667,506	127,772,531	393,763,110
Bonds payable (including the portion due within one year)	-	23,025,866	11,357,483	14,997,367	9,659,752	59,040,468
Long-term payables (excluding special payables) (including the portion due within one year)	-	8,280,391	24,234,670	21,104,992	6,119,824	59,739,877
Lease liabilities (including the portion due within one year)	-	2,340,132	1,793,883	1,696,047	2,003,660	7,833,722
Other non-current liabilities (including the portion due within one year)	-	-	530,200	43,000	-	573,200
Financial guarantees (Note XIII. 2) (excluding the real estate mortgage guarantees)	1,930,464	-	-	-	-	1,930,464
Total	3,188,162	1,018,827,982	112,314,799	167,508,912	145,555,767	1,447,395,622

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instrument risks (Continued)

(2) Liquidity risk (Continued)

The tables below summaries the maturity profile of the Group's financial liabilities and other liabilities based on the undiscounted contractual cash flows(Continued):

31 December 2024

RMB'000

	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short- term loans	-	151,996,844	-	-	-	151,996,844
Due to customers	2,051,298	-	-	-	-	2,051,298
Bills payable	-	41,316,625	-	-	-	41,316,625
Trade payables	-	512,813,640	-	-	-	512,813,640
Other payables	-	120,304,020	-	-	-	120,304,020
Other current liabilities	-	2,398,829	-	-	-	2,398,829
Long-term borrowings (including the portion due within one year)	-	54,737,419	64,203,060	105,925,758	106,831,432	331,697,669
Bonds payable(including the portion due within one year)	-	20,994,037	17,402,157	9,026,622	9,599,798	57,022,614
Long- term payables (excluding special payables) (including the portion due within one year)	-	8,000,818	32,438,937	12,929,816	5,363,003	58,732,574
Lease liabilities (including the portion due within one year)	-	2,317,998	1,837,456	1,717,445	2,198,753	8,071,652
Other non- current liabilities (including the portion due within one year)	-	-	509,500	63,000	-	572,500
Financial guarantees (Note XIII. 2) (excluding the real estate mortgage guarantees)	2,055,082	-	-	-	-	2,055,082
Total	4,106,380	914,880,230	116,391,110	129,662,641	123,992,986	1,289,033,347

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instrument risks (Continued)

(3) Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group regularly reviews and monitors the change of fixed and floating interest rate borrowings in order to manage its interest rate risk.

As at 30 June 2025, floating interest rate loans accounted for approximately 59.24% (31 December 2024: 65.05%) and fixed interest rate loans accounted for approximately 40.76% (31 December 2024: 34.95%) of the Group's borrowings respectively. Management would adjust the proportion of floating and fixed rate loans based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by 0.50%, with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB408,858,000 in 30 June 2025 (31 December 2024: RMB570,355,000), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2025 and the exposure to interest rate risk has been applied to those. The estimated increase or decrease of interest rates of 0.50% represents management's assessment of a reasonably possible change in interest rates over the year from now until the end of the next annual reporting period.

Foreign currency risk

The Group is exposed to transactional exchange rate risk. Such risks arise from sales or purchases made by an operating unit in a currency other than its functional currency.

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group had not entered into any hedging transactions as at 30 June 2025 in order to reduce the Group's exposure to foreign currency risk in this regard (31 December 2024: Nil).

The following table presents a sensitivity analysis of exchange rate risk of reasonable and possible changes in the exchange rates of major foreign currencies, such as the US dollar, the EURO and the Hong Kong dollar, with all other variables held constant, of the Group's net profit and other comprehensive income equity net of tax.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instrument risks (Continued)

(3) Market risk (Continued)

Foreign currency risk (Continued)

30 June 2025

RMB'000

	Exchange rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Increase/ (decrease) in other comprehensive income, net of tax	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	5%	174,429	–	174,429
Decrease in the United States dollar rate	(5%)	(174,429)	–	(174,429)
Increase in the Euro rate	5%	(113,189)	–	(113,189)
Decrease in the Euro rate	(5%)	113,189	–	113,189
Increase in the Hong Kong dollar rate	5%	26,709	328	26,709
Decrease in the Hong Kong dollar rate	(5%)	(26,709)	(328)	(26,709)

31 December 2024

RMB'000

	Exchange rate Increase/(Decrease)	Net profit or loss Increase/ (Decrease)	Increase/ (decrease) in other comprehensive income, net of tax	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	5%	185,603	–	185,603
Decrease in the United States dollar rate	(5%)	(185,603)	–	(185,603)
Increase in the Euro rate	5%	(229,052)	–	(229,052)
Decrease in the Euro rate	(5%)	229,052	–	229,052
Increase in the Saudi Riyal rate	5%	(5,480)	–	(5,480)
Decrease in the Saudi Riyal rate	(5%)	5,480	–	5,480

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximise the value of shareholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares. No changes were made in the objectives, policies or processes for managing capital for the six months ended 30 June 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes all loans, due to customers, other current liabilities(continuing involvement in liabilities), bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding the current portion of long-term employee benefits payable and provisions) and other non-current liabilities(continuing involvement in liabilities) less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the balance sheet date are listed as follows:

RMB'000

	30 June 2025	31 December 2024
Short- term loans	211,770,913	150,142,693
Long- term loans	282,475,882	235,062,620
Due to customers	1,257,698	2,051,298
Bills payable	35,835,298	41,316,625
Trade payables	538,708,353	512,813,640
Other payables	131,503,806	120,304,020
Current portion of non- current liabilities (excluding current portion of long- term employee benefits payable and provisions)	84,821,655	76,180,159
Other current liabilities	2,487,489	2,378,224
Bonds payable	32,030,004	32,720,483
Long- term payables (excluding special payables)	51,459,486	49,538,878
Lease liabilities	3,855,471	4,197,035
Other non- current liabilities	573,200	572,500
Less: Cash and bank balances	180,479,468	185,703,115
Net debt	1,196,299,787	1,041,575,060
Attributable to shareholders' equity of the Company	341,139,978	328,251,080
Non- controlling interests	89,449,084	94,345,742

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. Capital management (Continued)

RMB'000

	30 June 2025	31 December 2024
Adjusted capital	430,589,062	422,596,822
Total equity and net debt	1,626,888,849	1,464,171,882
Gearing ratio	74%	71%

3. Transfer of financial assets

Financial assets transferred but not derecognised as a whole

As at 30 June 2025, the carrying amount of bank acceptance bills and commercial acceptance bills endorsed by the Group to suppliers for settlement of accounts payable and discounting was RMB321,779,000 (31 December 2024: RMB163,150,000). In the opinion of the Group, the Group \ retains substantially all of its risks and rewards, including the risk of default associated therewith, and therefore continues to recognise in full its and related settled accounts payable and bank borrowings. After endorsement or discount, the Group no longer retains the right to use it, including the right to sell, transfer or pledge it to other third parties. As at 30 June 2025, the carrying amount of accounts payable or bank borrowings recognised by the Group and settled by the Group with recourse to suppliers amounted to RMB321,779,000 (31 December 2024: RMB163,150,000).

As part of the ordinary course of business, the Group entered into factoring arrangements with certain financial institutions and transferred certain accounts receivable to them. Under this arrangement, the Group is required to repay amounts if the debtors of accounts receivable defer payment. The Group does not derecognise a financial asset if it retains substantially all of the risks and rewards of ownership. After the transfer, the Group no longer retains the right to use it, including the right to sell, transfer or pledge it to other third parties. As at 30 June 2025, the original carrying amount of receivables transferred but not yet settled under the arrangement was RMB5,985,564,000 (31 December 2024: RMB3,417,302,000).

For the six months ended 30 June 2025, the Group sold trade receivables totaling RMB 13,709,165,000 (2024 : RMB 8,455,588,000) to a special purpose trust, which issued asset-backed securities to investors. As an asset service provider, the Group provides services such as asset maintenance and daily management, formulation of annual asset disposal plans, formulation and implementation of asset disposal plans, signing of relevant asset disposal agreements and preparation of asset service reports on a regular basis. The Group holds some subordinated credit asset-backed securities in these businesses, so it is considered that the Group has neither transferred nor retained substantially all the risks and rewards of ownership of financial assets, and retained control over related financial assets, thus continuing to be involved in the transferred receivables. As at 30 June 2025, the carrying amount of assets recognized by the Group as a result of its continuing involvement was RMB1,052,000,000 (as at 31 December 2024: RMB976,500,000), and the related liabilities were RMB1,052,000,000 (as at 31 December 2024: RMB976,500,000), which were included in current assets, other non-current assets, current liabilities and other non-current liabilities respectively.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

IX. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Transfer of financial assets (Continued)*

Transferred financial assets that have been derecognised as a whole but continue to be involved.

As at 30 June 2025, the carrying amount of bank acceptance bills endorsed or discounted by the Group was RMB2,302,066,000 (as at 31 December 2024: RMB1,853,970,000). On 30 June 2025, the maturity date is 1 to 12 months. According to the relevant provisions of the Bill Law, if the acceptance bank refuses to pay, the holder may exercise the right of recourse against any one, several or all of the bill debtors, including the Group, regardless of the order of the bill debtors ("Continuing Involvement"). The Group considers that it has transferred substantially all of its risks and rewards, and therefore derecognises it and its related settled accounts payable in full. The maximum loss and undiscounted cash flow of continuing involvement and repurchase are equal to its book value. The Group believes that the continuing involvement in fair value is not significant.

For the six months ended 30 June 2025, the Group did not recognise gains or losses at the date of transfer. The Group has no income or expense recognized in the current year and accumulated due to its continuing involvement in derecognised financial assets. Endorsements or discounting occur approximately evenly during the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

For the Six months ended 30 June, 2025

RMB'000

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Receivables at FVTOCI	–	1,171,261	–	1,171,261
Held-for-trading financial assets	489,540	–	1,066,279	1,555,819
Other equity instrument investments	1,516,931	–	11,998,537	13,515,468
Other non- current financial assets	245,032	–	12,193,185	12,438,217
Other current assets	6,459,127	–	–	6,459,127
Sum of assets Total financial assets	8,710,630	1,171,261	25,258,001	35,139,892

2024

RMB'000

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Receivables at FVTOCI	–	1,644,048	–	1,644,048
Held-for-trading financial assets	500,592	–	1,032,524	1,533,116
Other equity instrument investments	1,722,181	–	11,445,616	13,167,797
Other non- current financial assets	177,252	–	11,198,870	11,376,122
Other current assets	4,968,995	–	–	4,968,995
Total financial assets	7,369,020	1,644,048	23,677,010	32,690,078

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Level 1 fair value measurement

The fair value of listed equity instrument investment and debt investment is determined at the market price.

3. Level 2 fair value measurement

RMB'000

	Fair value as at 30 June 2025	Fair value as at 31 December 2024	Valuation technique(s)	Key input(s)
Receivables at FVTOCI	1,171,261	1,644,048	Discounted cash flows	Discount rates for bank acceptance bills in the same term

4. Level 3 fair value measurement

For unlisted equity instrument investments, the fair value is estimated using the market method based on unobservable market price or interest rate assumptions. The Group is required to identify comparable listed companies based on industry, size, leverage and strategy and calculate appropriate market multipliers, such as enterprise value multipliers and P/E multipliers, for each comparable listed company identified. Based on the specific facts and circumstances of the enterprise, adjustments are made after considering factors such as liquidity and scale differences with comparable listed companies. The Group believes that the fair value and its changes estimated by the valuation technique are reasonable and the most appropriate value at the balance sheet date. For the fair value of investments in unlisted equity instruments, the Group estimates the potential impact of using other reasonable and possible assumptions as inputs to the valuation model.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE (CONTINUED)

4. Level 3 fair value measurement (Continued)

The following is a summary of significant unobservable inputs to Level 3 fair value measurements:

RMB'000

	Fair value as at 30 June 2025	Fair value as at 31 December 2024	Valuation technique(s)	Significant unobservable input(s)
Held-for-trading financial assets/Other non-current financial assets – call options for unlisted entities	2,687,069	2,778,793	Binomial tree option pricing model for valuation	Unlisted entities' revenue volatility and unlisted equity investments' comparable entities' stock price volatility
Held-for-trading financial assets/ Other-non-current financial assets - subordinated asset-backed securities	1,059,000	983,500	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other non-current financial assets – others	9,513,395	8,469,101	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other equity instrument investments	11,998,537	11,445,616	Market method	Discount rate for lack of market mobility
Sum of assets under continuous measurement of fair value	25,258,001	23,677,010		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE (CONTINUED)

5. Reconciliation of continuing Level 3 fair value measurements

For the six months ended 30 June 2025

RMB'000

		Total gain or loss for the period					Changes in unrealized gains or losses for the period in which assets held at the end of the period are recognised in
	Opening balance	Recognised in profit or loss	Included in other comprehensive income	increase	decrease	Closing balance	profit or loss
Held-for-trading financial assets	1,032,524	(155,104)	-	338,359	(149,500)	1,066,279	(47,071)
Other equity instrument investments	11,445,616	-	1,031	644,628	(92,738)	11,998,537	-
Other non-current financial assets - others	11,198,870	(96,887)	-	1,145,202	(54,000)	12,193,185	(96,887)
Total	23,677,010	(251,991)	1,031	2,128,189	296,238	25,258,001	(143,958)

31 December 2024

RMB'000

		Total gain or loss for the year					Changes in unrealized gains or losses for the year in which assets held at the end of the year are recognised in
	Opening balance	Recognised in profit or loss	Included in other comprehensive income	increase	decrease	Closing balance	profit or loss
Held-for-trading financial assets	1,268,027	(273,003)	-	37,500	-	1,032,524	(273,003)
Other equity instrument investments	10,601,209	-	499,968	1,077,246	(732,807)	11,445,616	-
Other non-current financial assets - others	8,908,984	(393,164)	-	2,683,050	-	11,198,870	(393,164)
Total	20,778,220	(666,167)	499,968	3,797,796	(732,807)	23,677,010	(666,167)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE (CONTINUED)

6. *Transfers Between Levels of the Fair Value Hierarchy in Ongoing Fair Value Measurement*

For the six months ended 30 June 2025, there was no transfer of fair value measurements between each level for both financial assets and other liabilities of the Group.

7. *Fair value of assets and liabilities that are not measured at fair values*

For the six months ended 30 June 2025

The following is a comparison of the carrying amounts and fair values of the Group's financial instruments, excluding those for which the carrying amount approximates the fair value:

RMB'000

	Carrying amount	Fair value
Financial liabilities		
Long-term loans	62,823,536	63,192,750
Bonds payable	32,030,004	32,045,812
total	94,853,540	95,238,562

2024

RMB'000

	Carrying amount	Fair value
Financial liabilities		
Long-term loans	45,610,912	45,617,446
Bonds payable	32,720,483	32,778,384
total	78,331,395	78,395,830

Fair value of long-term loans and bonds payable is determined by discounted future cash flow method, with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 30 June 2025, its own default risk of long-term loans was evaluated as insignificant.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Railway Construction Corporation	Beijing	Construction and management	RMB9,000,000,000	51.23	51.23

The ultimate controlling party of the Company is SASAC.

2. Subsidiaries

Please refer to Note VII. 1 "Subsidiaries".

3. Joint venture and associate

Company name	Related party relationship
China-Africa Lekkil Investment Co., Ltd.	Joint venture
Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	Joint venture
Qingdao Qingping Tiecheng Construction Engineering Co., Ltd.	Joint venture
Kunming Tiexin Construction Engineering Management Co., Ltd.	Joint venture
Shiyan Luxiang Transportation Investment Co., Ltd.	Joint venture
Nanchang Xintiecheng Construction Co., Ltd.	Joint venture
China Railway Construction Aerospace City (Wuhan) Development and Construction Co., Ltd.	Joint venture
Hubei Lvchuang Construction Co., Ltd.	Joint venture
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	Joint venture
Jiangsu Yinbao Gangkai Construction Co., Ltd.	Joint venture
Chengdu Chuangcheng Real Estate Co., Ltd.	Joint venture
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	Joint venture
Ningxia Logistics Group Northern Railway Co., Ltd.	Joint venture
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	Joint venture
Shihezi Zhucheng Mineral Development Co., Ltd.	Joint venture
Wuhan Tongtong Tunnel Construction Investment Co., Ltd.	Joint venture
Cangzhou Tieshi Urban Development Co., Ltd.	Joint venture
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	Joint venture
Nanchang Railway Building Materials Co., Ltd.	Joint venture
Gansu Tietou Fangqiao Railway Equipment Manufacturing Co., Ltd.	Joint venture
Jiashan Chengfa Construction and Development Co., Ltd.	Joint venture
Ningbo Jingwan Investment Management Co., Ltd.	Joint venture
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Nanchang Zhubang Construction Co., Ltd.	Joint venture
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	Joint venture
Lipu Putie Building Materials Co., Ltd.	Joint venture
Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	Joint venture
CRCC (Wuxi) Engineering Technology Development Co., Ltd.	Joint venture
Changzhou China Railway Construction Components Co., Ltd.	Joint venture
Hebei China Railway Cangyan Construction Technology Co., Ltd.	Joint venture
Guigang Hesi Quanyu Tourism Development Co., Ltd.	Joint venture
Luoyang Guozhan New Industry Development Co., Ltd.	Joint venture
Hebei Canggang Railway Construction and Transportation Co., Ltd.	Joint venture
Guangxi Urban Rail Engineering Construction Co., Ltd.	Joint venture
Suzhou Ruihua Real Estate Co., Ltd.	Joint venture
Guangzhou Tiejue Real Estate Development Co., Ltd.	Joint venture
Xi'an Kaishengda Real Estate Co., Ltd.	Joint venture
Haikou Jiangdong Xinju Second Real Estate Co., Ltd.	Joint venture
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Joint venture
Dong'e Huicheng Investment Development and Construction Co., Ltd.	Joint venture
Changsha Zhicheng Real Estate Co., Ltd.	Joint venture
China Railway Construction Port and Navigation Bureau Group Qingyuan Port Feilaixia Port Co., Ltd.	Joint venture
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Joint venture
Chengdu China Railway Huafu Real Estate Co., Ltd.	Joint venture
CRCC Kunlun Yunnan Real Estate Co., Ltd.	Joint venture
Chongqing Jianlian New Real Estate Development Co., Ltd.	Joint venture
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	Joint venture
Chengdu Tiecheng Real Estate Co., Ltd.	Joint venture
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	Joint venture
Chengdu Yuelin Real Estate Co., Ltd.	Joint venture
Chengdu Jiaotou Guishancheng Industrial Co., Ltd.	Joint venture
Chengdu Jinrui Bomao Real Estate Co., Ltd.	Joint venture
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Joint venture
Beijing Jiehai Real Estate Co., Ltd.	Joint venture
Beijing Liuzhuang Real Estate Co., Ltd.	Joint venture
Beijing Ruida Real Estate Co., Ltd.	Joint venture
Baoding Hongmao Real Estate Development Co., Ltd.	Joint venture
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Joint venture
Shunhao Real Estate Co., Ltd., Shunde District, Foshan City	Joint venture
Fuzhou Xincheng Real Estate Co., Ltd.	Joint venture
Guangzhou Suiyun Real Estate Co., Ltd.	Joint venture
Nanjing Jingrui Real Estate Investment Co., Ltd.	Joint venture
Ningbo Jinghai Investment Management Co., Ltd.	Joint venture
Deqing Jingsheng Real Estate Development Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Shanghai Hongjun Real Estate Development Co., Ltd.	Joint venture
Beijing Xinda Real Estate Co., Ltd.	Joint venture
Nanjing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Suzhou Jingzhao Real Estate Development Co., Ltd.	Joint venture
Changchun Jingde Real Estate Development Co., Ltd.	Joint venture
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	Joint venture
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	Joint venture
Wuhan Yuejun Real Estate Development Co., Ltd.	Joint venture
Wuhan Jinkun Real Estate Development Co., Ltd.	Joint venture
Beijing Xintie Xinjian Investment Co., Ltd.	Joint venture
China Railway Construction & Investment Xi'an City Development Co., Ltd.	Joint venture
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Joint venture
Hubei Rail Transit Design & Research Co., Ltd.	Joint venture
Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	Joint venture
China Railway Construction Investment (Xiangtan) New Energy Industrial Park Development Co., Ltd.	Joint venture
China Railway Construction Investment Corporation Yancheng Huangsha Port Development Co., Ltd.	Joint venture
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	Joint venture
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	Joint venture
China Railway Construction Investment (Liaoning) Expressway Co., Ltd.	Joint venture
CRCC Shaanxi Meitai Expressway Co., Ltd.	Joint venture
CRCC Shaanxi Highway Co., Ltd.	Joint venture
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Joint venture
China Railway Construction (Weinan) Chengwei Expressway Co., Ltd.	Joint venture
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	Joint venture
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Joint venture
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	Joint venture
Chongqing Tiefa Jianxin Highway Co., Ltd.	Joint venture
Chongqing Tiefa Shuanghe Expressway Co., Ltd.	Joint venture
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Joint venture
Pingdu City Characteristic Town Construction Management Co., Ltd.	Joint venture
Chongqing Yusui Fuxian Highway Co., Ltd.	Joint venture
China Railway Construction (Jiangsu) Ecological Environment Construction Co., Ltd.	Joint venture
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	Joint venture
Chongqing Sci Tech Innovation High tech Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Yuxiang Fuxian Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Chongqing Liangkai Expressway Co., Ltd.	Joint venture
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.	Joint venture
Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.	Joint venture
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Joint venture
Sichuan Tianfu Airport Expressway Co., Ltd.	Joint venture
Sichuan Suide Expressway Co., Ltd.	Joint venture
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Joint venture
Sichuan DaNei Expressway Co., Ltd.	Joint venture
Sichuan Nansuitong Expressway Co., Ltd.	Joint venture
Guiyang Changda Rail Transit Construction Co. Ltd.	Joint venture
Yunnan Luxun Highway Co., Ltd.	Joint venture
Guangxi Shatie Railway Co., Ltd.	Joint venture
Sichuan Kunlun Lugu Expressway Co., Ltd.	Joint venture
Sichuan Chengmian Cangba Expressway Co., Ltd.	Joint venture
Guizhou Tongxin Expressway Development Co., Ltd.	Joint venture
Guizhou Guijin Expressway Co., Ltd.	Joint venture
Yunnan Luqiu Guangfu Expressway Investment and Development Co., Ltd.	Joint venture
China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	Joint venture
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	Joint venture
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Joint venture
Tianjin Line 1 Rail Transit Operation Co., Ltd.	Joint venture
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	Joint venture
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	Joint venture
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	Joint venture
Nanchang China Railway Construction Development Co., Ltd.	Joint venture
Kunming Qiping Real Estate Co., Ltd.	Joint venture
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	Joint venture
Hangzhou Fuyang Donghe Construction Development Co., Ltd.	Joint venture
Shenyang Jiabai Real Estate Co., Ltd.	Joint venture
Hefei Changzhu Decoration Engineering Co., Ltd.	Joint venture
Hangzhou Jingke Real Estate Co., Ltd.	Joint venture
Tianjin Wanhe Real Estate Co., Ltd.	Joint venture
Chongqing Monorail Transit Engineering Group Co., Ltd.	Associate
Hubei Railway Group Ziyun Co., Ltd.	Associate
Jiangxi Leshui Ecotourism Development Co., Ltd.	Associate
Hubei Railway Group Dangyuan Co., Ltd.	Associate
Tianshui Tonghao Tram Co., Ltd.	Associate
Jiangxi Wanshui Ecological Resources Development Co., Ltd.	Associate
Xiangyang Ring Road Speed Up Transformation Construction and Operation Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Tianshui Tram Co., Ltd.	Associate
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	Associate
Wuhan Nanhu Municipal Pipe Network Operation and Maintenance Co., Ltd.	Associate
Yongzhou Railway Co., Ltd.	Associate
Three Gorges Riqing Juzhang River Ecological Governance (Dangyang) Co., Ltd.	Associate
Zhuhai Jiaojian Engineering Co., Ltd.	Associate
Shanghai Gangheng Real Estate Co., Ltd.	Associate
Nantong Tiejian Construction Components Co., Ltd.	Associate
Taiyuan Jinyuan East District Comprehensive Pipe Gallery Construction Management Co., Ltd.	Associate
Kunshan Transportation Construction Environmental Protection Prefabricated Components Co., Ltd.	Associate
Nanjing Daqiao North Environmental Comprehensive Management Co., Ltd.	Associate
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	Associate
CRCC Sichuan Dedu Highway Co., Ltd.	Associate
Suzhou High tech Zone Guoyi Intelligent Technology Co., Ltd.	Associate
Changzhou Jingrui Real Estate Development Co., Ltd.	Associate
Chengdu Lugang Real Estate Co., Ltd.	Associate
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	Associate
Shanxi Lihuo Expressway Co., Ltd.	Associate
Yanji Comprehensive Pipe Gallery Construction and Operation Co., Ltd.	Associate
Harbin Metropolitan Area Southwest Ring Investment Co., Ltd.	Associate
Pingxiang China Railway Construction Bridge Bureau Sponge City Construction Co., Ltd.	Associate
Siping Comprehensive Pipe Gallery Construction and Operation Co., Ltd.	Associate
Shandong Expressway Jinghu Expressway Co., Ltd.	Associate
Hangzhou Xiasha Road Tunnel Co., Ltd.	Associate
China Railway Dongjin Lijin Bridge Management Co., Ltd.	Associate
Guigang Western Outer Ring Road Highway Co., Ltd.	Associate
Taiyuan Existing Residential Energy Conservation Renovation Project Management Co., Ltd.	Associate
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Associate
Zaozhuang Jinjie Construction Investment Co., Ltd.	Associate
Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	Associate
Wuhu Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.	Associate
Guangzhou Huadu City Investment Railway Construction Engineering Co., Ltd.	Associate
Xiamen Road and Bridge Construction Group Engineering Co., Ltd.	Associate
Gansu Dundang Expressway Project Management Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Zhejiang Hangzhou Ningbo Double Line Ningbo Phase I Expressway Co., Ltd.	Associate
Gansu Gonghang Travel Lan'a Highway Management Co., Ltd.	Associate
Chengdu Huaisheng Project Management Co., Ltd.	Associate
China Railway Construction Investment (Tongxiang) Construction Management Co., Ltd.	Associate
Chengdu Jiaotou Kunlun Construction Engineering Co., Ltd.	Associate
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Associate
Ningxia Inter-City Railway Co., Ltd.	Associate
Huaibei Zhongsui Construction Development Co., Ltd.	Associate
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	Associate
Anhui Huiyu Construction Engineering Co., Ltd.	Associate
Liuzhou Zhengtan Construction Investment Co., Ltd.	Associate
Liuzhou Zhongbei Construction Investment Management Co., Ltd.	Associate
Ningxia High-speed Rail Industry Development Co., Ltd.	Associate
Baoding Lingyu New Building Materials Co., Ltd.	Associate
Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	Associate
Yuxi China Railway Infrastructure Construction Co., Ltd.	Associate
Guizhou Jinrentong Expressway Development Co., Ltd.	Associate
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Associate
Gansu Jingli Expressway Longnan Management Co., Ltd.	Associate
Sichuan Tianmeile Highway Co., Ltd.	Associate
Fujian Green Energy Construction Development Co., Ltd.	Associate
Sichuan Jintou Project Investment Co., Ltd.	Associate
Heshan No.18 Engineering Construction Co., Ltd.	Associate
Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	Associate
Fujian Ronghui Construction Development Co., Ltd.	Associate
Sichuan Jinsuiyuan Construction Development Co., Ltd.	Associate
Tianjin Bincheng Meihaoshenghuo Co., Ltd.	Associate
Guangxi Yujin Investment Development Co., Ltd.	Associate
Chifeng Chengquan Highway Engineering Management Co., Ltd.	Associate
Gansu Public Aviation Travel Suwu Tonghang Industry Co., Ltd.	Associate
Gansu Gonghang Travel Jiujia Expressway Management Co., Ltd.	Associate
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Associate
Guizhou Wengma Railway Limited Co., Ltd.	Associate
Shaanxi Huangpu Expressway Co., Ltd.	Associate
Guizhou Wengma Railway North South Extension Co., Ltd.	Associate
Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	Associate
Xuzhou Xingshanzi Avenue Comprehensive Pipe Gallery Construction Management Co., Ltd.	Associate
Xixian New Area Century Pipe Gallery Construction Management Co., Ltd.	Associate
Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	Associate
Shaanxi Luolu Expressway Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Chongqing Pinjinyue Real Estate Development Co., Ltd.	Associate
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	Associate
Lanzhou Zhengda Pipe Gallery Project Management Co., Ltd.	Associate
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	Associate
Guangzhou Huangpu District Light Rail Line 1 Investment and Construction Co., Ltd.	Associate
Taiyuan Airport Hub Investment and Construction Co., Ltd.	Associate
Tianjin China Railway Guancheng Real Estate Co., Ltd.	Associate
Yangjiang Zhongcai Railway Construction Project Management Co., Ltd.	Associate
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	Associate
Guizhou Baoyuan Real Estate Co., Ltd.	Associate
Shandong High-speed Railway Construction Equipment Co., Ltd.	Associate
Chengdu Chengtou Urban Construction Technology Co., Ltd.	Associate
Shenzhen Building Materials Trading Group Construction Technology Co., Ltd.	Associate
Liaocheng Rongxing Construction Investment Co., Ltd.	Associate
Quanzhou Futie Construction Investment Co., Ltd.	Associate
China Railway Construction Beishui (Putian) Water Co., Ltd.	Associate
Fuzhou North Railway Station South Square Construction and Development Co., Ltd.	Associate
Fuzhou Donglin Ring Expressway Co., Ltd.	Associate
Sichuan Nongxing Land Consolidation Co., Ltd.	Associate
Yangzhou Jingteng Real Estate Co., Ltd.	Associate
Liuzhou Beicheng China Railway Project Management Co., Ltd.	Associate
Jining China Railway Shengtong Urban Construction and Development Co., Ltd.	Associate
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	Associate
Ningbo Jingsheng Real Estate Co., Ltd.	Associate
CRCC Guizhou Engineering Investment Co., Ltd.	Associate
Sanya Zhongcheng Real Estate Co., Ltd.	Associate
Taiyuan Airport Hub Real Estate Co., Ltd.	Associate
Huayuan County Shiba Cave Zixia Lake Beauty Comprehensive Development Co., Ltd.	Associate
Liaocheng Xurui Municipal Engineering Co., Ltd.	Associate
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	Associate
Nanping New City Port Development Co., Ltd.	Associate
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Associate
Chongqing Tongsheng Infrastructure Construction Co., Ltd.	Associate
Huizhou China Railway Construction Port and Shipping Bureau Infrastructure Investment Co., Ltd.	Associate
China Railway Construction Port and Shipping Bureau Group Ecological Environment Construction (Hubei) Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	Associate
Chengdu Yueran Real Estate Co., Ltd.	Associate
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Associate
Guangzhou ShengDu Investment Development Co., Ltd.	Associate
Guangzhou Hongxuan Real Estate Co., Ltd.	Associate
Nanjing Yuanchen Real Estate Co., Ltd.	Associate
Ningbo Runsheng Real Estate Development Co., Ltd.	Associate
Nanjing Jingyue Real Estate Development Co., Ltd.	Associate
Shanghai Wanjinglong Real Estate Co., Ltd.	Associate
Shanghai Jingmao Yue Real Estate Co., Ltd.	Associate
Wuhan Zhaorui Real Estate Co., Ltd.	Associate
Nantong Yanglu Railway Development and Construction Co., Ltd.	Associate
Hangqu Railway Co., Ltd.	Associate
Wuhan LvYin Landscape Engineering Co., Ltd.	Associate
Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	Associate
Ezhou Wuchu East Extension Investment and Construction Co., Ltd.	Associate
Guangde Railway Construction Chuncheng Rail Transit Equity Investment Partnership Enterprise (Limited Partnership)	Associate
Yuzhou High speed Railway Station Facilities Construction and Operation Co., Ltd.	Associate
Wuxue Port Multimodal Transport Investment Development Co., Ltd.	Associate
Qingyuan Maglev Transportation Co., Ltd.	Associate
Yangzhou Wantou Jade Feature Town Co., Ltd.	Associate
Fosro Fastener System (China) Co., Ltd.	Associate
Wuhu Zhongtie Kejifu Railway Co., Ltd.	Associate
Xuzhou Jiaokong Supply Chain Co., Ltd.	Associate
Gansu Tietou Materials Co., Ltd.	Associate
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Associate
CRCC Real Estate Co., Ltd.	Associate
CRCC Xinjiang Jingxin Expressway Co., Ltd.	Associate
China Railway Construction Investment Wenyu (Taizhou) Railway Co., Ltd.	Associate
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	Associate
China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	Associate
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Associate
CRCC Investment Jizhong Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	Associate
China Railway Construction Investment Corporation Gaoyi Urban Development Co., Ltd.	Associate
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	Associate
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	Associate
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	Associate
China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
China Railway Construction Investment (Lianjiang) Development and Construction Co., Ltd.	Associate
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Sichuan Dejian Expressway Co., Ltd.	Associate
China Railway Construction Shandong Jinghu Expressway Jile Co., Ltd.	Associate
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	Associate
China Railway Construction Ningxia Expressway Co., Ltd.	Associate
CRCC East China (Cixi) Construction Co., Ltd.	Associate
CRCC Hunan Expressway Co., Ltd.	Associate
CRCC Gansu Zhangbian Highway Co., Ltd.	Associate
CRCC (Shandong) Gaodong Highway Co., Ltd.	Associate
CRCC (Shandong) Deshang Highway Co., Ltd.	Associate
Wantong Intercity Railway Co., Ltd.	Associate
Shaanxi Guanhuan Linfa Expressway Co., Ltd.	Associate
Shaanxi Danningdong Highway Co., Ltd.	Associate
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	Associate
Hengda Real Estate (Shenzhen) Co., Ltd.	Associate
Hangzhou Jiandejiang Investment Co., Ltd.	Associate
Hainan Jinfa Railway Construction Port Construction Co., Ltd.	Associate
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	Associate
Guangde Railway Construction Blue Ocean Fengjian Investment Center (Limited Partnership)	Associate
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	Associate
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	Associate
Gansu Jinhe Expressway Project Management Co., Ltd.	Associate
Chongqing Tiefa Xiusong Highway Co., Ltd.	Associate
Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	Associate
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	Associate
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Associate
Kunming Sanqing Highway Co., Ltd.	Associate
Kunming Fuyi Highway Co., Ltd.	Associate
Tiejian Jingsui Equity Investment (Tianjin) Partnership Enterprise (Limited Partnership)	Associate
Zhuhai High tech Smart Port Industrial Park Construction Co., Ltd.	Associate
Yunnan Chuda Expressway Investment and Development Co., Ltd.	Associate
CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	Associate
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	Associate
China Railway Construction Development Group (Longkou) Ecological Construction Co., Ltd.	Associate
Xinjiang Shuifa Yaochi Project Management Co., Ltd.	Associate
CRCC Luoyang Guozhan Development and Construction Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (Continued)

Company name	Related party relationship
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	Associate
Bengbu Hengjian Construction Co., Ltd.	Associate
Beijing Daxing Airport Economic Zone Development Fund (Limited Partnership)	Associate
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	Associate
Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	Associate
Jianyang Railway Construction Hexing Highway Investment Co., Ltd.	Associate
Jianghua Fengcheng Construction Investment Co., Ltd.	Associate
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	Associate
Anqing High speed Railway New Area Construction Investment Co., Ltd.	Associate
Xinxiang Xinchuang Technology Investment Development Co., Ltd.	Associate
Hefei Jingshang Real Estate Development Co., Ltd.	Associate
Guangzhou Hongjia Real Estate Development Co., Ltd.	Associate
Shanghai Jingmiaoxin Real Estate Co., Ltd.	Subsidiary of joint venture
Anhui Zhenrui Construction Engineering Co., Ltd.	Subsidiary of joint venture
Shanghai Xinjinghui Real Estate Development Co., Ltd.	Subsidiary of associate
Shanghai Xinfucheng Real Estate Development Co., Ltd.	Subsidiary of associate
Shanghai Xinruicheng Real Estate Development Co., Ltd.	Subsidiary of associate

4. Other related party

Other related parties	Related party relationship
CRCC JinLi Asset Management Co., Ltd.	Fellow subsidiary
CRCC Financial Leasing Co., Ltd.	Fellow subsidiary

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions

(1) Transactions of goods and services with related parties

Purchasing goods and receiving services from related parties (Note 5)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Chengdu Jiaotou Kunlun Construction Engineering Co., Ltd.	Expenditures for purchasing goods and receiving services	198,993	1,099,412
CRCC Financial Leasing Co., Ltd. (Note 4 · Note 7)	Expenditures for purchasing goods and receiving services	147,155	–
Jinan Rail China Railway Segment Manufacturing Co., Ltd.	Expenditures for purchasing goods and receiving services	79,059	67,979
CRCC (Wuxi) Engineering Technology Development Co., Ltd.	Expenditures for purchasing goods and receiving services	52,923	90,726
Hubei Lvchuan Construction Co., Ltd.	Expenditures for purchasing goods and receiving services	41,629	–
Xiamen Road and Bridge Construction Group Engineering Co., Ltd.	Expenditures for purchasing goods and receiving services	33,624	–
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Expenditures for purchasing goods and receiving services	29,485	14,728
Guangzhou Huadu City Investment Railway Construction Engineering Co., Ltd.	Expenditures for purchasing goods and receiving services	20,074	–
Baoding Lingyu New Building Materials Co., Ltd.	Expenditures for purchasing goods and receiving services	19,787	3,677
Shenzhen Building Materials Trading Group Construction Technology Co., Ltd.	Expenditures for purchasing goods and receiving services	15,918	–
Zhuhai Jiaojian Engineering Co., Ltd.	Expenditures for purchasing goods and receiving services	14,900	9,250
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	Expenditures for purchasing goods and receiving services	13,101	58,655

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Purchasing goods and receiving services from related parties (Note 5) (Continued)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Gansu Tietou Fangqiao Railway Equipment Manufacturing Co., Ltd.	Expenditures for purchasing goods and receiving services	11,987	1,860
Hangqu Railway Co., Ltd.	Expenditures for purchasing goods and receiving services	11,621	–
Guangxi Urban Rail Engineering Construction Co., Ltd.	Expenditures for purchasing goods and receiving services	9,312	95,438
Kunshan Transportation Construction Environmental Protection Prefabricated Components Co., Ltd.	Expenditures for purchasing goods and receiving services	8,165	1,393
Gansu Tietou Materials Co., Ltd.	Expenditures for purchasing goods and receiving services	7,127	163,082
Xuzhou Jiaokong Supply Chain Co., Ltd.	Expenditures for purchasing goods and receiving services	3,695	250,331
Nantong Tiejian Construction Components Co., Ltd.	Expenditures for purchasing goods and receiving services	3,531	83,511
Changzhou China Railway Construction Components Co., Ltd.	Expenditures for purchasing goods and receiving services	–	31,612
Nanchang Railway Building Materials Co., Ltd.	Expenditures for purchasing goods and receiving services	–	18,308
Kunming Tiexin Construction Engineering Management Co., Ltd.	Expenditures for purchasing goods and receiving services	–	17,144
Others	Expenditures for purchasing goods and receiving services	273,502	141,709
Total		995,588	2,148,815

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Pengrui Yunmen (Hangzhou) Real Estate Co., Ltd.	Revenue from construction services	3,602,156	–
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Revenue from construction services	1,650,996	917,557
Guangzhou Huadu City Investment Railway Construction Engineering Co., Ltd.	Revenue from construction services	1,252,114	–
China Railway Construction Investment (Liaoning) Expressway Co., Ltd.	Revenue from construction services	994,519	1,494,952
Hangqiu Railway Co., Ltd.	Revenue from construction services	911,413	3,180,112
Sichuan Chengmian Cangba Expressway Co., Ltd.	Revenue from construction services	880,094	490,132
Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	Revenue from construction services	731,752	506,047
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Revenue from construction services	653,651	–
Ningbo Jingsheng Real Estate Co., Ltd.	Revenue from construction services	640,913	221,048
Nanjing Jingrui Real Estate Investment Co., Ltd.	Revenue from construction services	634,002	–
Ningxia Inter-City Railway Co., Ltd.	Revenue from construction services	558,304	490,765
Chongqing Yuxiang Fuxian Highway Co., Ltd.	Revenue from construction services	527,671	1,965,097
Chongqing High Speed Railway Construction Wankaide Highway Co., Ltd.	Revenue from construction services	491,402	426,307
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Revenue from construction services	446,091	159,339
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Revenue from construction services	444,542	540,453
Wuxue Port Multimodal Transport Investment Development Co., Ltd.	Revenue from construction services	432,887	–
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	Revenue from construction services	417,052	279,934

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1) (Continued)

		RMB'000	
Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Sichuan Nansuitong Expressway Co., Ltd	Revenue from construction services	384,792	571,993
Nanjing Jingyue Real Estate Development Co., Ltd.	Revenue from construction services	384,356	68,268
Nanping New City Port Development Co., Ltd.	Revenue from construction services	365,870	49,691
Haikou Jiangdong Xinju Second Real Estate Co., Ltd.	Revenue from construction services	355,127	170,655
Xinxiang Xinchuang Technology Investment Development Co., Ltd.	Revenue from construction services	350,795	-
CRCC East China (Cixi) Construction Co., Ltd.	Revenue from construction services	341,307	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	Revenue from construction services	324,105	246,085
China Railway Construction & Investment Xi'an City Development Co., Ltd.	Revenue from construction services	317,842	226,613
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Revenue from construction services	315,166	1,079,981
Hainan Jinfa Railway Construction Port Construction Co., Ltd.	Revenue from construction services	305,667	-
Chongqing Tiefu Shuanghe Expressway Co., Ltd.	Revenue from construction services	299,509	467,599
Guizhou Wengma Railway North South Extension Co., Ltd.	Revenue from construction services	295,264	155,953
Guiyang Changda Rail Transit Construction Co. Ltd.	Revenue from construction services	283,710	330,269
Suzhou Jingzhao Real Estate Development Co., Ltd.	Revenue from construction services	278,080	54,229
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Revenue from construction services	276,889	1,331,318
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	Revenue from construction services	265,210	9,823
Tianshui Tram Co., Ltd.	Revenue from construction services	261,651	124,880
Guangxi Urban Rail Engineering Construction Co., Ltd.	Revenue from construction services	251,543	304
Chongqing Tiefu Jianxin Highway Co., Ltd.	Revenue from construction services	250,018	193,391

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1) (Continued)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
CRCC Shaanxi Highway Co., Ltd.	Revenue from construction services	241,622	204,920
Ningxia High-speed Rail Industry Development Co., Ltd.	Revenue from construction services	237,694	268,605
Shaanxi Guanhuan Linfa Expressway Co., Ltd.	Revenue from construction services	235,001	251,438
CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	Revenue from construction services	234,981	249,669
Guizhou Guijin Expressway Co., Ltd.	Revenue from construction services	233,093	164,149
CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	Revenue from construction services	225,748	436,492
Sichuan Tianmeile Highway Co., Ltd.	Revenue from construction services	213,822	894,197
Anhui Huiyu Construction Engineering Co., Ltd.	Revenue from construction services	204,576	269,446
Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	Revenue from construction services	200,457	-
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	Revenue from construction services	196,648	147,281
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Revenue from construction services	194,484	909,166
China Railway Construction Port and Shipping Bureau Group Ecological Environment Construction (Hubei) Co., Ltd.	Revenue from construction services	194,302	93,600
Shanghai Jingmao Yue Real Estate Co., Ltd.	Revenue from construction services	186,879	-
Heilongjiang Beimo Expressway Wunen Section Engineering Construction Project Co., Ltd.	Revenue from construction services	184,240	114,451
Hebei China Railway Cangyan Construction Technology Co., Ltd.	Revenue from construction services	182,762	4,153
Shaanxi Luolu Expressway Co., Ltd.	Revenue from construction services	180,411	-
Tongling Guanghe High-Tech Energy Technology Co., Ltd.	Revenue from construction services	177,046	85,387
Yongzhou Railway Co., Ltd.	Revenue from construction services	163,320	15,018

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1) (Continued)

		RMB'000	
Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	Revenue from construction services	162,081	617,838
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	Revenue from construction services	154,112	165,136
Huaibei Zhongsui Construction Development Co., Ltd.	Revenue from construction services	131,208	12,177
China Railway Dongjin Lijin Bridge Management Co., Ltd.	Revenue from construction services	125,284	114,277
Shanxi Lihuo Expressway Co., Ltd.	Revenue from construction services	108,794	47,124
China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	Revenue from construction services	108,629	258,842
Xinjiang Shuifa Yaochi Project Management Co., Ltd.	Revenue from construction services	107,512	-
Yunnan Chuda Expressway Investment and Development Co., Ltd.	Revenue from construction services	106,009	85,107
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	Revenue from construction services	102,030	235,694
Suzhou High tech Zone Guoyi Intelligent Technology Co., Ltd.	Revenue from construction services	101,542	-
Hebei Canggang Railway Construction and Transportation Co., Ltd.	Revenue from construction services	99,742	-
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Revenue from construction services	97,783	95,392
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Revenue from construction services	97,098	-
Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	Revenue from construction services	92,139	222,745
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Revenue from construction services	89,849	13,258
Shanghai Gangheng Real Estate Co., Ltd.	Revenue from construction services	88,702	171,127
Guangzhou ShengDu Investment Development Co., Ltd.	Revenue from construction services	83,194	122,177
Kunming Sanqing Highway Co., Ltd.	Revenue from construction services	75,070	895,388

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1) (Continued)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Sichuan Tiexin Zhiyuan Construction Co., Ltd.	Revenue from construction services	73,314	123,226
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Revenue from construction services	70,042	315,990
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Revenue from construction services	69,023	299,665
Sichuan Suide Expressway Co., Ltd.	Revenue from construction services	62,575	153,933
Ningxia Logistics Group Northern Railway Co., Ltd.	Revenue from construction services	62,321	–
Guizhou Jinrentong Expressway Development Co., Ltd.	Revenue from construction services	61,366	590,488
Fuzhou Donglin Ring Expressway Co., Ltd.	Revenue from construction services	56,990	115,092
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	Revenue from construction services	54,394	31,526
CRCC (Wuxi) Engineering Technology Development Co., Ltd.	Revenue from construction services	52,922	3,558
Kunming Fuyi Highway Co., Ltd.	Revenue from construction services	51,362	240,603
Sichuan Jintou Project Investment Co., Ltd.	Revenue from construction services	50,588	–
Chongqing Yusui Fuxian Highway Co., Ltd.	Revenue from construction services	46,991	647,862
Ezhou Wuchu East Extension Investment and Construction Co., Ltd.	Revenue from construction services	46,549	158,305
Zhejiang Hangzhou Ningbo Double Line Ningbo Phase I Expressway Co., Ltd.	Revenue from construction services	45,510	118,715
Guigang Western Outer Ring Road Highway Co., Ltd.	Revenue from construction services	43,867	436,864
Shanghai Wanjianglong Real Estate Co., Ltd.	Revenue from construction services	40,777	165,430
Cangzhou Iron Master Urban Development Co., Ltd.	Revenue from construction services	38,190	–
Nantong Yanglu Railway Development and Construction Co., Ltd.	Revenue from construction services	30,855	3,951

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1) (Continued)

		RMB'000	
Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
China Railway Construction Ningxia Expressway Co., Ltd.	Revenue from construction services	26,022	945,845
China Railway Construction Port and Navigation Bureau Group Qingyuan Port Feilaixia Port Co., Ltd.	Revenue from construction services	25,055	133,895
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Revenue from construction services	22,977	114,497
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Revenue from construction services	15,856	403,498
Hubei Railway Group Dangyuan Co., Ltd.	Revenue from construction services	15,338	154,831
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Revenue from construction services	13,394	1,248,863
Chongqing Liangkai Expressway Co., Ltd.	Revenue from construction services	12,908	133,851
Shaanxi Danningdong Highway Co., Ltd.	Revenue from construction services	12,373	152,502
Sichuan Tianfu Airport Expressway Co., Ltd.	Revenue from construction services	11,293	204,893
CRCC Luoyang Guozhan Development and Construction Co., Ltd.	Revenue from construction services	9,972	77,651
Yuxi China Railway Infrastructure Construction Co., Ltd.	Revenue from construction services	3,434	64,122
Liaocheng Rongxing Construction Investment Co., Ltd.	Revenue from construction services	41	146,897
Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	Revenue from construction services	-	771,794
Taiyuan Airport Hub Investment and Construction Co., Ltd.	Revenue from construction services	-	354,784
Jianghua Fengcheng Construction Investment Co., Ltd.	Revenue from construction services	-	280,456
Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	Revenue from construction services	-	215,868
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	Revenue from construction services	-	129,824
China Railway Construction Development Group (Longkou) Ecological Construction Co., Ltd.	Revenue from construction services	-	124,513

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 1) (Continued)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	Revenue from construction services	-	107,223
Yunnan Luxun Highway Co., Ltd.	Revenue from construction services	-	104,970
Others	Revenue from construction services	2,822,602	4,973,236
Total		30,743,225	37,166,270

Selling goods and providing services to related parties (Note 2)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
CRCC Financial Leasing Co., Ltd. (Note 4 - Note 7)	Revenue from sales of goods or provision of service	251,958	440,347
China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	Revenue from sales of goods or provision of services	33,224	-
Kunming Sanqing Highway Co., Ltd.	Revenue from sales of goods or provision of services	31,028	-
China Railway Construction Shandong Jinghu Expressway Jile Co., Ltd.	Revenue from sales of goods or provision of services	24,627	-
China Railway Construction Ningxia Expressway Co., Ltd.	Revenue from sales of goods or provision of services	22,772	-
CRCC Sichuan Dedu Highway Co., Ltd.	Revenue from sales of goods or provision of services	21,203	-
Xuzhou Jiakong Supply Chain Co., Ltd.	Revenue from sales of goods or provision of services	19,335	138,487
CRCC Shandong Jixu Expressway Jiyu Co., Ltd.	Revenue from sales of goods or provision of services	19,316	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 2) (Continued)

		RMB'000	
		For the six months ended 30 June 2025	For the six months ended 30 June 2024
Company name	Transaction details		
China Railway Construction Sichuan Dejian Expressway Co., Ltd.	Revenue from sales of goods or provision of services	15,887	-
CRCC Shaanxi Highway Co., Ltd.	Revenue from sales of goods or provision of services	15,678	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Revenue from sales of goods or provision of services	15,237	-
CRCC Hunan Expressway Co., Ltd.	Revenue from sales of goods or provision of services	13,952	-
CRCC (Shandong) Gaodong Highway Co., Ltd.	Revenue from sales of goods or provision of services	13,069	-
CRCC (Shandong) Deshang Highway Co., Ltd.	Revenue from sales of goods or provision of services	10,703	-
Chongqing Tiefsa Jianxin Highway Co., Ltd.	Revenue from sales of goods or provision of services	8,622	1,838
China Railway Construction and Investment Shanxi Expressway Co., Ltd.	Revenue from sales of goods or provision of services	8,551	-
Changzhou Jingrui Real Estate Development Co., Ltd.	Revenue from sales of goods or provision of services	8,501	-
Sichuan Chengmian Cangba Expressway Co., Ltd.	Revenue from sales of goods or provision of services	7,930	-
Sichuan Nansuitong Expressway Co., Ltd.	Revenue from sales of goods or provision of services	7,626	-
CRCC Investment Jizhong Development and Construction Co., Ltd.	Revenue from sales of goods or provision of services	4,413	-
Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	Revenue from sales of goods or provision of services	3,962	-
Chongqing Tiefsa Shuanghe Expressway Co., Ltd.	Revenue from sales of goods or provision of services	3,843	-
China Railway Construction (Weinan) Chengwei Expressway Co., Ltd.	Revenue from sales of goods or provision of services	3,324	-
Fosro Fastener System (China) Co., Ltd.	Revenue from sales of goods or provision of services	3,006	-
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Revenue from sales of goods or provision of services	2,536	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1) Transactions of goods and services with related parties (Continued)

Selling goods and providing services to related parties (Note 2) (Continued)

RMB'000

Company name	Transaction details	For the six months ended 30 June 2025	For the six months ended 30 June 2024
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	Revenue from sales of goods or provision of services	2,393	–
Hubei Lvchuan Construction Co., Ltd.	Revenue from sales of goods or provision of services	2,364	–
Ningbo Jingwan Investment Management Co., Ltd.	Revenue from sales of goods or provision of services	2,077	–
Wuhu Zhongtie Kejifu Railway Co., Ltd.	Revenue from sales of goods or provision of services	2,006	2,429
Sichuan Suide Expressway Co., Ltd.	Revenue from sales of goods or provision of services	1,742	1,107
Anhui Zhenrui Construction Engineering Co., Ltd.	Revenue from sales of goods or provision of services	–	61,841
Others	Revenue from sales of goods or provision of services	31,472	693
Total		612,357	646,742

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Related party leasing

As the lessee

RMB'000

Lessor		Leasing asset types	Payment for the six months ended 30 June 2025	Payment for the six months ended 30 June 2024
CRCC Financial Leasing Co., Ltd.	Note 4 6 ∙ 7	Machinery and equipment	1,179,252	763,969
CRCC Financial Leasing Co., Ltd.	Note 4 6 ∙ 7	Buildings and structures	2,375	–
China Railway Construction Group Co., Ltd.	Note 4 6 ∙ 7	Buildings and structures	9,189	8,669
CRCC JinLi Asset Management Co., Ltd.	Note 4 ∙ 6	Buildings and structures	18,341	1,935
Total			1,209,157	774,573

(3) Guarantees granted to related parties

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	598,903	2016-03-31	2039-03-31	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	535,815	2022-06-14	2031-12-21	No
Wuhan Zhaorui Real Estate Co., Ltd.	268,030	2022-08-17	2027-12-30	No

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Related party fund borrowing

Funds borrowing

Amount recognised for the six months ended 30 June 2025

RMB'000

	Amount borrowed	Start date	Due date
Beijing Xintie Xinjian Investment Co., Ltd.	7,500	March 18, 2025	No fixed maturity
Total	7,500		

Amount recognised for the six months ended 30 June 2024

RMB'000

	Amount borrowed	Start date	Due date
Hefei Jingshang Real Estate Development Co., Ltd.	74,596	January 31, 2024	No fixed maturity
Hefei Changzhu Decoration Engineering Co., Ltd.	4,516	January 31, 2024	No fixed maturity
Total	79,112		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Related party fund borrowing (Continued)

Funds lent out

Amount recognised for the six months ended 30 June 2025

RMB'000

	Amount borrowed	Start date	Due date
Beijing Xinda Real Estate Co., Ltd.	1,549,270	January 10, 2025	No fixed maturity
Xi'an Kaishengda Real Estate Co., Ltd.	552,086	January 13, 2025	No fixed maturity
Shunhao Real Estate Co., Ltd., Shunde District, Foshan City	489,998	January 15, 2025	No fixed maturity
Guangzhou Tiejue Real Estate Development Co., Ltd.	261,683	January 3, 2025	No fixed maturity
Wuhan Zhaorui Real Estate Co., Ltd.	38,368	March 31, 2025	No fixed maturity
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	20,552	January 21, 2025	No fixed maturity
Chengdu China Railway Huafu Real Estate Co., Ltd.	19,786	January 10, 2025	No fixed maturity
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	18,839	March 28, 2025	No fixed maturity
Sanya Zhongcheng Real Estate Co., Ltd.	4,829	January 17, 2025	January 19, 2028
Chengdu Lugang Real Estate Co., Ltd.	3,750	January 23, 2025	No fixed maturity
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	2,000	March 27, 2025	No fixed maturity
Suzhou Jingzhao Real Estate Development Co., Ltd.	291	January 26, 2025	No fixed maturity
Ningbo Jingwan Investment Management Co., Ltd.	13	March 6, 2025	No fixed maturity
Nanjing Jingyue Real Estate Development Co., Ltd.	6	March 28, 2025	No fixed maturity
Changchun Jingde Real Estate Development Co., Ltd.	4	February 28, 2025	No fixed maturity
Total	2,961,475		

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Related party fund borrowing (Continued)

Funds lent out (Continued)

Amount recognised for the six months ended 30 June 2024

RMB'000

	Amount borrowed	Start date	Due date
Shunhao Real Estate Co., Ltd., Shunde District, Foshan City	8,819,982	January 19, 2024	No fixed maturity
Shanghai Jingmao Yue Real Estate Co., Ltd.	2,309,304	April 23, 2024	No fixed maturity
Beijing Xinda Real Estate Co., Ltd.	1,591,330	January 12, 2024	No fixed maturity
Beijing Xintie Xinjian Investment Co., Ltd.	499,190	January 17, 2024	No fixed maturity
Beijing Xintie Xinjian Investment Co., Ltd.	430,000	January 5, 2024	No fixed maturity
Guangzhou Tiejue Real Estate Development Co., Ltd.	383,512	March 15, 2024	No fixed maturity
Xi'an Kaishengda Real Estate Co., Ltd.	237,129	January 3, 2024	No fixed maturity
Wuhan Yuejun Real Estate Development Co., Ltd.	213,407	February 7, 2024	No fixed maturity
Wuhan Zhaorui Real Estate Co., Ltd.	161,700	March 26, 2024	No fixed maturity
Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	145,000	January 23, 2024	January 22, 2025
Hangzhou Jingke Real Estate Co., Ltd.	142,800	January 26, 2024	No fixed maturity
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	111,563	February 2, 2024	February 1, 2027
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	108,052	June 26, 2024	No fixed maturity
Chengdu China Railway Huaifu Real Estate Co., Ltd.	88,344	January 16, 2024	No fixed maturity
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	81,727	January 31, 2024	No fixed maturity
Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	50,000	January 31, 2024	No fixed maturity
Wuhan Jinkun Real Estate Development Co., Ltd.	44,783	February 8, 2024	No fixed maturity
Guangzhou Hongjia Real Estate Development Co., Ltd.	38,274	March 27, 2024	No fixed maturity
CRCC Kunlun Yunnan Real Estate Co., Ltd.	31,217	January 21, 2024	No fixed maturity
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	27,600	June 19, 2024	June 23, 2026
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	17,905	February 2, 2024	No fixed maturity

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Related party fund borrowing (Continued)

Funds lent out (Continued)

Amount recognised for the six months ended 30 June 2024 (Continued)

RMB'000

	Amount borrowed	Start date	Due date
Shenyang Jiabai Real Estate Co., Ltd.	14,667	January 28, 2024	No fixed maturity
Suzhou Jingzhao Real Estate Development Co., Ltd.	11,457	February 29, 2024	No fixed maturity
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	8,245	January 26, 2024	No fixed maturity
Beijing Jiehai Real Estate Co., Ltd.	7,000	January 26, 2024	No fixed maturity
Changsha Zhicheng Real Estate Co., Ltd.	3,500	May 14, 2024	No fixed maturity
Ningbo Jinghai Investment Management Co., Ltd.	2,907	January 12, 2024	No fixed maturity
China-Africa Lekkil Investment Co., Ltd.	2,710	January 22, 2024	No fixed maturity
Shanghai Xinruicheng Real Estate Development Co., Ltd.	1,811	January 24, 2024	No fixed maturity
Chongqing Tieyu Zhaohua Real Estate Development Co., Ltd.	1,700	June 19, 2024	No fixed maturity
Guangzhou Suiyun Real Estate Co., Ltd.	1,650	January 31, 2024	No fixed maturity
Shanghai Jingmiaoxin Real Estate Co., Ltd.	533	January 24, 2024	No fixed maturity
Shanghai Jingmiaoxin Real Estate Co., Ltd.	242	January 22, 2024	No fixed maturity
Changzhou Jingrui Real Estate Development Co., Ltd.	159	January 30, 2024	No fixed maturity
Ningbo Runsheng Real Estate Development Co., Ltd.	11	January 24, 2024	No fixed maturity
Total	15,589,411		

(5) Key management's remuneration

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Key management's remuneration	5,477	4,475

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(6) Other related party transactions

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Other income (Note 3)		
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	49,459	49,751
Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	38,273	38,630
Guangzhou ShengDu Investment Development Co., Ltd.	24,222	29,408
Kunming Qiping Real Estate Co., Ltd.	21,634	24,717
Chengdu Jinrui Bomao Real Estate Co., Ltd.	20,383	–
Chengdu Tiecheng Real Estate Co., Ltd.	17,851	17,976
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	16,338	19,342
Suzhou Jingzhao Real Estate Development Co., Ltd.	10,644	12,776
Wuhan Zhaorui Real Estate Co., Ltd.	8,745	23,142
Hubei Lvchuang Construction Co., Ltd.	6,089	–
Shanghai Gangheng Real Estate Co., Ltd.	5,083	5,111
China Railway Construction & Investment Xi'an City Development Co., Ltd.	4,459	9,059
Tiejian Jingsui Equity Investment (Tianjin) Partnership Enterprise (Limited Partnership)	3,744	–
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	3,674	–
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	3,272	–
Guangde Railway Construction Blue Ocean Fengjian Investment Center (Limited Partnership)	2,636	–
Nanchang China Railway Construction Development Co., Ltd.	2,425	–
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	2,276	–
Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	2,106	–
Chengdu Yueran Real Estate Co., Ltd.	1,627	10,561
Wuhan Yuejun Real Estate Development Co., Ltd.	–	17,612

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(6) Other related party transactions (Continued)

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	–	66,325
China Railway Construction Group Co., Ltd. (Note 4 · Note 7)	–	9,654
Changchun Jingde Real Estate Development Co., Ltd.	–	8,922
Sichuan Chengmian Cangba Expressway Co., Ltd.	–	4,866
Fuzhou Xincheng Real Estate Co., Ltd.	–	4,128
Yunnan Kunchu Highway Investment & Development Co., Ltd.	–	9,654
Chongqing Tieda Jianxin Highway Co., Ltd.	–	8,922
Sichuan Suide Expressway Co., Ltd.	–	4,866
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	–	4,128
Chongqing Tieda Shuanghe Expressway Co., Ltd.	–	3,974
Chongqing Pinjinyue Real Estate Development Co., Ltd.	–	3,328
Chengdu Lugang Real Estate Co., Ltd.	–	2,854
Xixian New Area Xingchengrenju Real Estate Co., Ltd.	–	2,451
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	–	2,299
Nanjing Jingyue Real Estate Development Co., Ltd.	–	2,285
Others	16,946	39,312
Total	261,886	436,053
Other expenses (Note 5)		
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	90,490	–
China Railway Construction Group Co., Ltd. (Note 4 · Note 7)	24,876	22,330
Beijing Xintie Xinjian Investment Co., Ltd.	14,395	46,262
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	–	93,848
Others	9,012	9,647
Total	138,773	172,087

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(6) Other related party transactions (Continued)

Note 1: The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.

Note 2: The terms of the contracts on sales of goods or provision of services entered into by the Group and related parties were mutually agreed by the parties.

Note 3: The terms of the agreements relating to rendering of or receiving other services entered into by the Group and related parties were mutually agreed by the parties. The other income from related parties was mainly interest income from loans receivable.

Note 4: The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 5: The terms of the purchase agreements of goods and services entered into by the Group and related parties were mutually agreed by the parties.

Note 6: The lease fees recognised by the Group and its affiliated companies are the lease payments paid by the Group to repay the lease liabilities in the current period and the short-term lease and low-value assets lease expenses included in the current profit and loss.

Note 7: According to the Announcement of China Railway Construction Co., Ltd., the Cap for leasing houses and land with China Railway Construction Group Co., Ltd. is RMB200,000,000. The Cap of transaction for receiving services from China Railway Construction Group Co., Ltd. is RMB1,000,000,000. The Cap of deposit interest collection between the Group and China Railway Construction Group Co., Ltd. is RMB105,000,000. The Cap of transactions approved by the Group for leasing service with China Railway Construction Financial Leasing Co., Ltd. is RMB4,500,000,000. and the Cap of transactions for equipment sales with China Railway Construction Financial Leasing Co., Ltd. is RMB2,600,000,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties

(1) Accounts receivable

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Bills receivable	Note1	Chongqing Tiefa Jianxin Highway Co., Ltd.	40,000	40	40,000	–
Bills receivable	Note1	Hangzhou Fuyang Donghe Construction Development Co., Ltd.	16,978	85	–	–
Bills receivable	Note1	Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	10,638	–	15,663	40
Bills receivable	Note1	CRCC Kunlun Yunnan Real Estate Co., Ltd.	–	–	30,000	150
Bills receivable	Note1	Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	–	–	183,000	183
Bills receivable	Note1	Xilinhote China Railway Municipal Infrastructure Construction Co., Ltd.	–	–	86,000	86
Bills receivable	Note1	Others	214	–	567,560	561
Total			67,830	125	922,223	1,020
Trade receivables	Note1	Sichuan Chengmian Cangba Expressway Co., Ltd.	414,607	1,755	44,779	265
Trade receivables	Note1	Haikou Jiangdong Xinju Second Real Estate Co., Ltd.	273,380	1,367	73,112	366
Trade receivables	Note1	Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	253,157	1,133	316,374	1,459
Trade receivables	Note1	Shaanxi Huangpu Expressway Co., Ltd.	236,553	33	19,872	25
Trade receivables	Note1	Yuxi China Railway Infrastructure Construction Co., Ltd.	236,078	3,527	238,625	3,527
Trade receivables	Note1	Guangzhou Nansha Kecheng Investment Development Co., Ltd.	234,418	1,170	1,492	1
Trade receivables	Note1	Taiyuan Airport Hub Investment and Construction Co., Ltd.	233,212	224	550,608	565
Trade receivables	Note1	Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	207,031	1,202	7,319	112
Trade receivables	Note1	CRCC Financial Leasing Co., Ltd.	194,044	780	296,470	1,212
Trade receivables	Note1	Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	193,388	200	164,324	169
Trade receivables	Note1	Guangzhou ShengDu Investment Development Co., Ltd.	192,852	976	159,179	753

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables	Note 1	Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	191,410	1,133	234,148	1,122
Trade receivables	Note 1	Harbin Metropolitan Area Southwest Ring Investment Co., Ltd.	187,144	241	19,818	–
Trade receivables	Note 1	CRCC Kunlun Yunnan Real Estate Co., Ltd.	178,940	1,109	193,740	1,124
Trade receivables	Note 1	China Railway Construction (Jiangsu) Ecological Environment Construction Co., Ltd.	178,562	979	77,926	1,905
Trade receivables	Note 1	CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	171,061	320	86,011	86
Trade receivables	Note 1	China Railway Construction & Investment Xi'an City Development Co., Ltd.	163,734	1,056	24,325	122
Trade receivables	Note 1	Jiangsu Yinbao Gangkai Construction Co., Ltd.	158,188	1,110	161,076	1,110
Trade receivables	Note 1	Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	150,235	2,136	145,766	2,248
Trade receivables	Note 1	Wuxue Port Multimodal Transport Investment Development Co., Ltd.	150,000	–	–	–
Trade receivables	Note 1	Tianshui Tram Co., Ltd.	147,654	738	12,426	63
Trade receivables	Note 1	Sichuan Tianmeile Highway Co., Ltd.	145,053	609	75,918	401
Trade receivables	Note 1	Sichuan Tiexin Zhiyuan Construction Co., Ltd.	143,507	717	146,783	530
Trade receivables	Note 1	Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	141,554	13,506	167,908	13,512
Trade receivables	Note 1	Huaibei Zhongsui Construction Development Co., Ltd.	140,105	245	144,887	265
Trade receivables	Note 1	Chengdu Chuangcheng Real Estate Co., Ltd.	130,880	651	122,438	609
Trade receivables	Note 1	China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	129,526	648	32,853	165
Trade receivables	Note 1	China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	126,665	915	6,158	308
Trade receivables	Note 1	Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	118,445	1,103	–	–
Trade receivables	Note 1	Fuzhou North Railway Station South Square Construction and Development Co., Ltd.	114,745	574	251,890	1,259
Trade receivables	Note 1	Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	113,262	1,133	113,262	1,133

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables	Note 1	Shaanxi Guanhuang Linfa Expressway Co., Ltd.	113,024	565	12,922	–
Trade receivables	Note 1	Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	112,624	209	74,779	209
Trade receivables	Note 1	Chongqing Tiesha Expressway Co., Ltd.	111,990	1,080	89,599	909
Trade receivables	Note 1	Guizhou Guijin Expressway Co., Ltd.	111,257	701	3,761	19
Trade receivables	Note 1	Sichuan Nongxing Land Consolidation Co., Ltd.	110,667	1,744	109,151	1,149
Trade receivables	Note 1	Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	109,963	4,216	120,641	4,269
Trade receivables	Note 1	Suzhou Jingzhao Real Estate Development Co., Ltd.	106,730	257	105,759	285
Trade receivables	Note 1	CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	106,374	2,516	105,876	2,505
Trade receivables	Note 1	China-Africa Lekkil Investment Co., Ltd.	105,848	104	106,516	107
Trade receivables	Note 1	Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	103,800	890	102,978	662
Trade receivables	Note 1	Chengdu Jiaotou Kunlun Construction Engineering Co., Ltd.	99,627	221	52,951	240
Trade receivables	Note 1	Ningxia Inter-City Railway Co., Ltd.	99,571	683	65,547	706
Trade receivables	Note 1	Jiangxi Wanshui Ecological Resources Development Co., Ltd.	98,248	491	101,001	505
Trade receivables	Note 1	Guangxi Urban Rail Engineering Construction Co., Ltd.	95,509	456	39,045	242
Trade receivables	Note 1	Gansu Gonghang Travel Lan'a Highway Management Co., Ltd.	92,219	789	90,446	452
Trade receivables	Note 1	Zhuhai High tech Smart Port Industrial Park Construction Co., Ltd.	91,931	616	18,002	90
Trade receivables	Note 1	CRCC East China (Cixi) Construction Co., Ltd.	90,936	289	31,189	40
Trade receivables	Note 1	Anhui Huiyu Construction Engineering Co., Ltd.	90,540	332	13,253	361
Trade receivables	Note 1	Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	85,518	–	12,473	32
Trade receivables	Note 1	China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	85,066	299	1,940	72

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables	Note 1	CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	84,468	392	48,147	436
Trade receivables	Note 1	China Railway Construction Development Group (Longkou) Ecological Construction Co., Ltd.	80,194	17	171,191	103
Trade receivables	Note 1	Sichuan Nansuitong Expressway Co., Ltd.	77,306	387	466	2
Trade receivables	Note 1	Guizhou Baoyuan Real Estate Co., Ltd.	77,256	77	–	–
Trade receivables	Note 1	Kunming Qiping Real Estate Co., Ltd.	76,913	76	32,268	68
Trade receivables	Note 1	Chengdu Yuelin Real Estate Co., Ltd.	72,613	1,278	54,313	1,889
Trade receivables	Note 1	Nanchang Xintiecheng Construction Co., Ltd.	72,175	3,609	70,629	3,531
Trade receivables	Note 1	CRCC (Wuxi) Engineering Technology Development Co., Ltd.	71,333	279	36,709	270
Trade receivables	Note 1	Shanghai Wanjianglong Real Estate Co., Ltd.	71,080	693	70,333	686
Trade receivables	Note 1	Guangzhou Huangpu District Light Rail Line 1 Investment and Construction Co., Ltd.	71,017	78	71,018	78
Trade receivables	Note 1	Chongqing Monorail Transit Engineering Group Co., Ltd.	69,274	1,816	32,046	1,003
Trade receivables	Note 1	Shanghai Jingmao Yue Real Estate Co., Ltd.	69,031	644	23,006	475
Trade receivables	Note 1	Tianshui Tonghao Tram Co., Ltd.	68,162	456	68,162	456
Trade receivables	Note 1	Jiayang Railway Construction Hexing Highway Investment Co., Ltd.	67,657	677	68,768	689
Trade receivables	Note 1	Ningxia High-speed Rail Industry Development Co., Ltd.	67,056	667	123,211	902
Trade receivables	Note 1	Xixian New Area Century Pipe Gallery Construction Management Co., Ltd.	67,027	85	24,727	25
Trade receivables	Note 1	Yangzhou Wantou Jade Feature Town Co., Ltd.	66,993	335	22,292	111
Trade receivables	Note 1	Nanjing Daqiao North Environmental Comprehensive Management Co., Ltd.	66,747	374	191,744	614
Trade receivables	Note 1	Ningxia Logistics Group Northern Railway Co., Ltd.	65,174	–	10,653	–
Trade receivables	Note 1	Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	65,005	1,107	121,305	1,107
Trade receivables	Note 1	Nanjing Jingyue Real Estate Development Co., Ltd.	64,761	320	95,393	475
Trade receivables	Note 1	Gansu Public Aviation Travel Suwu Tonghang Industry Co., Ltd.	62,221	15	46,101	15

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables	Note 1	Xuzhou Xingshanzi Avenue Comprehensive Pipe Gallery Construction Management Co., Ltd.	61,745	62	55,985	56
Trade receivables	Note 1	Kunming Sanqing Highway Co., Ltd.	59,525	368	1,032	10
Trade receivables	Note 1	Guigang Hesi Quanyu Tourism Development Co., Ltd.	59,297	59	76,797	77
Trade receivables	Note 1	Jiashan Chengfa Construction and Development Co., Ltd.	58,656	59	84,127	63
Trade receivables	Note 1	Sanya Zhongcheng Real Estate Co., Ltd.	58,603	59	46,500	46
Trade receivables	Note 1	Taiyuan Airport Hub Real Estate Co., Ltd.	57,026	445	122,482	600
Trade receivables	Note 1	Guizhou Wengma Railway North South Extension Co., Ltd.	55,694	129	17,782	22
Trade receivables	Note 1	China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	55,066	299	1,940	72
Trade receivables	Note 1	Guangzhou Suiyun Real Estate Co., Ltd.	54,323	53	50,037	50
Trade receivables	Note 1	Shanxi Lihuo Expressway Co., Ltd.	54,182	–	72,612	55
Trade receivables	Note 1	China Railway Construction Sichuan Dejian Expressway Co., Ltd.	54,107	234	59,778	283
Trade receivables	Note 1	Siping Comprehensive Pipe Gallery Construction and Operation Co., Ltd.	52,455	–	52,655	–
Trade receivables	Note 1	Pingxiang China Railway Construction Bridge Bureau Sponge City Construction Co., Ltd.	51,478	1,878	115	45
Trade receivables	Note 1	Sichuan Kunlun Lugu Expressway Co., Ltd.	51,166	256	22,410	112
Trade receivables	Note 1	Hubei Lvchuan Construction Co., Ltd.	48,265	2,253	43,035	1,954
Trade receivables	Note 1	Three Gorges Riqing Juzhang River Ecological Governance (Dangyang) Co., Ltd.	45,435	227	45,435	227
Trade receivables	Note 1	Xixian New Area Xingchengrenju Real Estate Co., Ltd.	43,921	124	6,359	123
Trade receivables	Note 1	Shiyan Luxiang Transportation Investment Co., Ltd.	42,327	2,117	73,261	1,051
Trade receivables	Note 1	Suzhou Ruihua Real Estate Co., Ltd.	42,193	42	–	–
Trade receivables	Note 1	Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	42,093	647	95,854	516
Trade receivables	Note 1	CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	39,612	196	21,010	107
Trade receivables	Note 1	Gansu Jingli Expressway Longnan Management Co., Ltd.	39,351	125	22,054	250

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables	Note 1	Chengdu China Railway Huafu Real Estate Co., Ltd.	37,989	237	24,759	252
Trade receivables	Note 1	Liaocheng Rongxing Construction Investment Co., Ltd.	36,128	709	47,273	765
Trade receivables	Note 1	Taiyuan Existing Residential Energy Conservation Renovation Project Management Co., Ltd.	35,100	175	33,933	–
Trade receivables	Note 1	Beijing Xinda Real Estate Co., Ltd.	34,974	76	33,839	66
Trade receivables	Note 1	CRCC (Shandong) Gaodong Highway Co., Ltd.	34,265	241	25,866	237
Trade receivables	Note 1	Gansu Gonghang Travel Jiujia Expressway Management Co., Ltd.	33,843	301	4,058	301
Trade receivables	Note 1	Liuzhou Zhengtan Construction Investment Co., Ltd.	33,372	252	33,272	247
Trade receivables	Note 1	China Railway Construction Aerospace City (Wuhan) Development and Construction Co., Ltd.	32,600	163	29,657	198
Trade receivables	Note 1	Shanghai Gangheng Real Estate Co., Ltd.	31,841	606	6,041	30
Trade receivables	Note 1	Ningbo Jingsheng Real Estate Co., Ltd.	31,161	139	15,734	428
Trade receivables	Note 1	Pingdu City Characteristic Town Construction Management Co., Ltd.	30,385	152	89,091	446
Trade receivables	Note 1	China Construction 3rd Bureau (Xiamen) Minsheng Construction Investment Co., Ltd.	29,439	251	55,142	426
Trade receivables	Note 1	CRCC Development (Rizhao) Environmental Protection Co., Ltd.	29,402	29	129,402	129
Trade receivables	Note 1	Guigang Western Outer Ring Road Highway Co., Ltd.	27,367	38	7,696	34
Trade receivables	Note 1	Fujian Green Energy Construction Development Co., Ltd.	27,240	136	27,240	136
Trade receivables	Note 1	Lanzhou Zhengda Pipe Gallery Project Management Co., Ltd.	24,995	878	24,995	878
Trade receivables	Note 1	Hebei China Railway Cangyan Construction Technology Co., Ltd.	24,851	43	26,010	45
Trade receivables	Note 1	China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	23,914	120	–	–
Trade receivables	Note 1	Ningbo Jinghai Investment Management Co., Ltd.	23,085	105	25,026	107

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Trade receivables	Note 1	China Railway Construction Shandong Jinghu Expressway Jile Co., Ltd.	22,667	101	15,107	21
Trade receivables	Note 1	Beijing Ruida Real Estate Co., Ltd.	21,404	20	28,161	32
Trade receivables	Note 1	Chongqing Pinjinyue Real Estate Development Co., Ltd.	21,309	152	14,190	142
Trade receivables	Note 1	Chongqing Tiejyu Zhaohua Real Estate Development Co., Ltd.	20,726	56	20,842	57
Trade receivables	Note 1	Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	15,747	223	209,244	229
Trade receivables	Note 1	Chongqing Tiefa Shuanghe Expressway Co., Ltd.	13,209	39	58,523	134
Trade receivables	Note 1	Chengdu Kunlun Sentou Longquanshan Ecological Construction Co., Ltd.	2,683	14	97,638	488
Trade receivables	Note 1	CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	2,459	1	161,459	1,530
Trade receivables	Note 1	Anhui Zhenrui Construction Engineering Co., Ltd.	2,308	23	372,556	896
Trade receivables	Note 1	Guangxi Yujin Investment Development Co., Ltd.	1,356	274	55,114	276
Trade receivables	Note 1	Hebei Canggang Railway Construction and Transportation Co., Ltd.	793	6	137,940	690
Trade receivables	Note 1	CRCC Luoyang Guozhan Development and Construction Co., Ltd.	–	–	606,290	17,005
Trade receivables	Note 1	Liaocheng Xurui Municipal Engineering Co., Ltd.	–	–	89,627	7,663
Trade receivables	Note 1	Qingyuan Maglev Transportation Co., Ltd.	–	–	61,107	353
Trade receivables	Note 1	Wuhan Zhaorui Real Estate Co., Ltd.	–	–	67,054	334
Trade receivables	Note 1	Chongqing Tongsheng Infrastructure Construction Co., Ltd.	–	–	47,943	85
Trade receivables	Note 1	Others	2,524,153	33,293	1,587,082	40,443
Total			13,581,580	119,615	11,769,969	141,027

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Loans and advances to customers	Note3	China Railway Construction Group Co., Ltd.	1,683,000	56,921	1,095,056	34,203
Loans and advances to customers	Note3	Hangqu Railway Co., Ltd.	81,140	2,745	83,360	4,012
Total			1,764,140	59,666	1,178,416	38,215
Other receivables	Note2	Tianjin Wanhe Real Estate Co., Ltd.	2,471,172	560,353	2,500,872	560,059
Other receivables	Note2	Beijing Xintie Xinjian Investment Co., Ltd.	2,199,317	1,600	2,296,318	1,610
Other receivables	Note2	Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	1,869,536	1,926	1,830,180	1,873
Other receivables	Note2	Beijing Xinda Real Estate Co., Ltd.	1,664,266	76,484	114,996	76,484
Other receivables	Note2	Guangzhou ShengDu Investment Development Co., Ltd.	1,376,289	1,376	1,350,614	1,351
Other receivables	Note2	Beijing Ruida Real Estate Co., Ltd.	1,315,652	71,147	1,313,942	70,612
Other receivables	Note2	Wuhan Zhaorui Real Estate Co., Ltd.	1,290,458	72,531	1,272,589	53,088
Other receivables	Note2	Beijing Jiehai Real Estate Co., Ltd.	979,944	980	979,944	980
Other receivables	Note2	Chengdu Tiecheng Real Estate Co., Ltd.	944,788	945	926,302	926
Other receivables		CRCC Guizhou Engineering Investment Co., Ltd.	913,244	232,895	913,244	232,895
Other receivables	Note2	Guangzhou Suiyun Real Estate Co., Ltd.	825,809	183,360	825,810	183,360
Other receivables	Note2	Kunming Qiping Real Estate Co., Ltd.	755,088	940	733,454	918
Other receivables	Note2	Guangzhou Nansha Kecheng Investment Development Co., Ltd.	650,389	650	634,259	634
Other receivables	Note2	Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	614,557	374,376	599,557	374,376
Other receivables		China Railway Construction & Investment Xi'an City Development Co., Ltd.	609,256	95,271	600,247	27,935
Other receivables	Note2	Nanjing Yuanchen Real Estate Co., Ltd.	567,760	568	567,760	568
Other receivables	Note2	Shunhao Real Estate Co., Ltd., Shunde District, Foshan City	538,166	47,956	48,060	47,956
Other receivables	Note2	Xi'an Kaishengda Real Estate Co., Ltd.	529,039	542	–	–
Other receivables	Note2	Ningbo Jingwan Investment Management Co., Ltd.	490,587	491	488,585	489

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other receivables	Note2	Changchun Jingde Real Estate Development Co., Ltd.	468,218	468	468,214	468
Other receivables	Note2	Fuzhou Xincheng Real Estate Co., Ltd.	458,584	459	458,584	459
Other receivables	Note2	Suzhou Jingzhao Real Estate Development Co., Ltd.	430,060	430	422,121	1,456
Other receivables		China Railway Construction Sichuan Dejian Expressway Co., Ltd.	413,365	2,102	413,825	2,103
Other receivables	Note2	Yangzhou Jingteng Real Estate Co., Ltd.	380,464	380	373,395	373
Other receivables	Note2	Xixian New Area Xingchengrenju Real Estate Co., Ltd.	293,440	292	272,888	321
Other receivables	Note2	Beijing Liuzhuang Real Estate Co., Ltd.	209,663	210	209,663	210
Other receivables	Note2	Chongqing Tieshu Zhaohua Real Estate Development Co., Ltd.	208,507	209	209,261	209
Other receivables		CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	200,258	991	201,536	990
Other receivables	Note2	Deqing Jingsheng Real Estate Development Co., Ltd.	188,264	188	188,264	188
Other receivables	Note2	Nanjing Jingsheng Real Estate Development Co., Ltd.	130,789	131	189,439	189
Other receivables	Note2	Chengdu Yueran Real Estate Co., Ltd.	69,324	69	181,533	182
Other receivables	Note2	Shanghai Jingmao Yue Real Estate Co., Ltd.	–	–	232,311	232
Other receivables	Note2	Changsha Zhicheng Real Estate Co., Ltd.	–	–	211,014	1,055
Other receivables	Note2	Others	1,990,742	106,982	2,316,429	92,180
Total			26,046,995	1,837,302	24,345,210	1,736,729

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

			30 June 2025		31 December 2024	
			Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Note2	Guangzhou Nansha Hengcheng Real Estate Co., Ltd.	2,036,430	1,290	1,996,769	1,997
Long-term receivables (including current portion)		CRCC Investment Jizhong Development and Construction Co., Ltd.	796,771	3,984	537,391	2,687
Long-term receivables (including current portion)	Note2	Chengdu Tiecheng Real Estate Co., Ltd.	689,065	689	689,065	689
Long-term receivables (including current portion)		Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	554,765	2,411	757,722	3,789
Long-term receivables (including current portion)		China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	551,006	2,755	488,836	2,465
Long-term receivables (including current portion)	Note2	China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	532,947	340,244	665,736	430,768
Long-term receivables (including current portion)		Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	518,172	3,425	428,969	3,332
Long-term receivables (including current portion)		CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	494,946	2,500	477,192	2,406
Long-term receivables (including current portion)		Guizhou Tongren Yongfa Road Engineering Investment Co., Ltd.	481,877	2,294	460,200	2,294

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Yuxi China Railway Infrastructure Construction Co., Ltd.	466,645	2,551	396,964	2,048
Long-term receivables (including current portion)	CRCC Investment Baoding Urban Development and Construction Co., Ltd.	371,307	1,857	272,055	1,360
Long-term receivables (including current portion)	Hohhot Metro Line 2 Construction & Management Co., Ltd.	330,990	45,787	329,180	45,770
Long-term receivables (including current portion)	Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	316,870	2,174	288,699	1,443
Long-term receivables (including current portion)	CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	311,852	191	231,299	231
Long-term receivables (including current portion)	Jiangsu Yinbao Gangkai Construction Co., Ltd.	274,232	1,436	257,798	1,289
Long-term receivables (including current portion)	Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	264,001	1,398	280,282	1,248
Long-term receivables (including current portion)	China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	252,851	1,157	–	–
Long-term receivables (including current portion)	China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	244,145	1,221	253,119	1,271

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	233,312	-	-	-
Long-term receivables (including current portion)	Tianjin Bincheng Meihaoshenghuo Co., Ltd.	208,590	1,040	-	-
Long-term receivables (including current portion)	CRCC East China (Cixi) Construction Co., Ltd.	198,095	173	192,433	192
Long-term receivables (including current portion)	Note 2 Shanghai Gangheng Real Estate Co., Ltd.	168,484	842	168,484	842
Long-term receivables (including current portion)	China Railway Construction & Investment Xi'an City Development Co., Ltd.	158,380	1,221	158,380	7,919
Long-term receivables (including current portion)	China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	153,318	767	135,686	678
Long-term receivables (including current portion)	Nanjing Daqiao North Environmental Comprehensive Management Co., Ltd.	119,996	240	-	-
Long-term receivables (including current portion)	Huizhou China Railway Construction Port and Shipping Bureau Infrastructure Investment Co., Ltd.	106,880	362	63,854	319
Long-term receivables (including current portion)	Luoyang Guozhan New Industry Development Co., Ltd.	98,321	98	98,321	98

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Zaozhuang Jinjie Construction Investment Co., Ltd.	97,667	493	28,134	141
Long-term receivables (including current portion)	Liaocheng Rongxing Construction Investment Co., Ltd.	90,377	525	31,036	155
Long-term receivables (including current portion)	Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	87,773	138	42,710	–
Long-term receivables (including current portion)	Chongqing Yusui Fuxian Highway Co., Ltd.	84,535	432	10,491	–
Long-term receivables (including current portion)	Chongqing Tiefa Jianxin Highway Co., Ltd.	81,332	1,483	77,800	318
Long-term receivables (including current portion)	Note 2 China Railway Construction Investment (Lianjiang) Development and Construction Co., Ltd.	60,332	75	161,534	428
Long-term receivables (including current portion)	China Railway Construction Port and Shipping Bureau Group Ecological Environment Construction (Hubei) Co., Ltd.	49,252	49	49,469	49
Long-term receivables (including current portion)	Suzhou Ruihua Real Estate Co., Ltd.	43,161	508	43,161	432
Long-term receivables (including current portion)	Sichuan Jinsuiyuan Construction Development Co., Ltd.	41,290	207	30,021	150

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Wantong Intercity Railway Co., Ltd.	38,421	308	103,852	643
Long-term receivables (including current portion)	China Railway Construction Port and Navigation Bureau Group Qingyuan Port Feilaixia Port Co., Ltd.	38,107	299	55,108	276
Long-term receivables (including current portion)	China Railway Construction Beishui (Putian) Water Co., Ltd.	37,811	239	76	76
Long-term receivables (including current portion)	Wuhan Tongtong Tunnel Construction Investment Co., Ltd.	34,470	–	34,470	–
Long-term receivables (including current portion)	Taiyuan Jinyuan East District Comprehensive Pipe Gallery Construction Management Co., Ltd.	31,896	50	31,896	50
Long-term receivables (including current portion)	Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	31,436	31	–	–
Long-term receivables (including current portion)	Fujian Ronghui Construction Development Co., Ltd.	31,235	–	10,169	–
Long-term receivables (including current portion)	Chifeng Chengquan Highway Engineering Management Co., Ltd.	30,182	2,329	22,932	2,293
Long-term receivables (including current portion)	Anqing High speed Railway New Area Construction Investment Co., Ltd.	29,618	229	299,791	1,499

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Taiyuan Airport Hub Real Estate Co., Ltd.	29,618	229	299,791	1,499
Long-term receivables (including current portion)	Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	29,534	84	56,028	42
Long-term receivables (including current portion)	Tianjin China Railway Guancheng Real Estate Co., Ltd.	28,082	–	–	–
Long-term receivables (including current portion)	China Railway Construction Investment Corporation Gaoyi Urban Development Co., Ltd.	27,318	252	45,214	226
Long-term receivables (including current portion)	Xixian New Area Century Pipe Gallery Construction Management Co., Ltd.	27,181	–	–	–
Long-term receivables (including current portion)	CRCC Sichuan Dedu Highway Co., Ltd.	425	1	289,945	1,599
Long-term receivables (including current portion)	CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	122	1	222,431	1,112
Long-term receivables (including current portion)	Dong'e Huicheng Investment Development and Construction Co., Ltd.	–	–	354,788	1,775
Long-term receivables (including current portion)	Jianghua Fengcheng Construction Investment Co., Ltd.	–	–	333,005	1,030

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Long-term receivables (including current portion)	Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	–	–	267,963	1,342
Long-term receivables (including current portion)	Note 2 Changsha Zhicheng Real Estate Co., Ltd.	–	–	189,591	2,708
Long-term receivables (including current portion)	China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	–	–	165,380	831
Long-term receivables (including current portion)	Huayuan County Shiba Cave Zixia Lake Beauty Comprehensive Development Co., Ltd.	–	–	113,487	575
Long-term receivables (including current portion)	Others	1,073,941	7,917	1,435,374	12,218
Total		13,089,364	437,986	14,434,081	546,602
Interest receivable	Sanya Zhongcheng Real Estate Co., Ltd.	12,889	1,510	12,889	1,510
Interest receivable	Taiyuan Airport Hub Real Estate Co., Ltd.	7,303	972	6,428	536
Interest receivable	CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	1,132	–	–	–
Total		21,324	2,482	19,317	2,046
Dividends Receivable	Tianjin Line 1 Rail Transit Operation Co., Ltd.	91,844	459	160,524	803
Dividends Receivable	Shandong High-speed Railway Construction Equipment Co., Ltd.	35,449	3,967	39,949	40
Dividends Receivable	CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	29,662	30	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Dividends Receivable	Chongqing Monorail Transit Engineering Group Co., Ltd.	11,138	6,409	–	–
Dividends Receivable	Cangzhou Tieshi Urban Development Co., Ltd.	5,044	252	5,044	25
Dividends Receivable	Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	–	–	132,132	661
Dividends Receivable	Others	5,834	152	29,920	67
Total		178,971	11,269	367,569	1,596
Debt investments	Hengda Real Estate (Shenzhen) Co., Ltd.	2,927,357	2,927,357	2,927,357	2,927,357
Debt investments	CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	1,507,307	107,069	880,238	107,069
Debt investments	Yunnan Gangcheng Infrastructure Construction Co., Ltd.	523,058	523	524,058	524
Debt investments	Liaocheng Xurui Municipal Engineering Co., Ltd.	–	–	258,634	1,293
Debt investments	Xiangyin Yangshahu Yongyuan Construction Investment Development Co., Ltd.	–	–	139,139	696
Debt investments	Bengbu Hengjian Construction Co., Ltd.	–	–	111,485	557
Debt investments	Others	128,865	340	357,145	66,432
Total		5,086,587	3,035,289	5,198,056	3,103,928
Other non-current assets	Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	3,779,199	–	2,844,203	–
Other non-current assets	Hangqu Railway Co., Ltd.	2,529,396	–	2,333,853	–
Other non-current assets	Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	352,401	–	264,301	–
Other non-current assets	Nantong Yanglu Railway Development and Construction Co., Ltd.	289,566	–	289,553	–
Other non-current assets	Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	287,744	1,671	334,100	1,670

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other non-current assets	Guizhou Guijin Expressway Co., Ltd.	246,015	1,210	6,499	–
Other non-current assets	Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	238,060	–	233,960	–
Other non-current assets	CRCC Investment Jizhong Development and Construction Co., Ltd.	236,986	1,185	226,335	1,132
Other non-current assets	Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	214,710	1,074	214,710	1,074
Other non-current assets	Guangde Railway Construction Chunheng Rail Transit Equity Investment Partnership Enterprise (Limited Partnership)	210,595	–	210,595	–
Other non-current assets	Hangzhou Xiasha Road Tunnel Co., Ltd.	186,886	–	183,513	–
Other non-current assets	Qingyuan Maglev Transportation Co., Ltd.	180,247	–	180,247	–
Other non-current assets	Wuxue Port Multimodal Transport Investment Development Co., Ltd.	176,552	–	162,050	–
Other non-current assets	Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	148,958	745	–	–
Other non-current assets	Xinxiang Xinchuang Technology Investment Development Co., Ltd.	125,333	–	–	–
Other non-current assets	Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	117,797	589	–	–
Other non-current assets	Chongqing Tiefs Jianxin Highway Co., Ltd.	113,241	206	63,162	157
Other non-current assets	China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	97,236	486	86,999	435
Other non-current assets	CRCC Investment Baoding Urban Development and Construction Co., Ltd.	96,938	485	92,081	460
Other non-current assets	Fuzhou Donglin Ring Expressway Co., Ltd.	95,466	477	–	–
Other non-current assets	Shaanxi Guanhuo Linfa Expressway Co., Ltd.	90,395	452	54,647	398
Other non-current assets	CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	82,866	277	220,001	1,410
Other non-current assets	Yunnan Chuda Expressway Investment and Development Co., Ltd.	79,975	400	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other non-current assets	Chongqing Tiefa Shuanghe Expressway Co., Ltd.	76,961	272	29,607	30
Other non-current assets	Beijing Daxing Airport Economic Zone Development Fund (Limited Partnership)	76,846	–	–	–
Other non-current assets	CRCC Xinjiang Jingxin Expressway Co., Ltd.	76,688	364	356	356
Other non-current assets	Hubei Rail Transit Design & Research Co., Ltd.	70,635	–	70,308	–
Other non-current assets	Wuhan Nanhu Municipal Pipe Network Operation and Maintenance Co., Ltd.	70,400	352	–	–
Other non-current assets	Liuzhou Zhengtan Construction Investment Co., Ltd.	67,797	276	–	–
Other non-current assets	Chifeng Chengquan Highway Engineering Management Co., Ltd.	60,653	–	–	–
Other non-current assets	Kunming Sanqing Highway Co., Ltd.	59,472	297	–	–
Other non-current assets	Nanchang Xintiecheng Construction Co., Ltd.	57,915	290	–	–
Other non-current assets	China Railway Construction Investment (Tongxiang) Construction Management Co., Ltd.	53,888	269	59,135	296
Other non-current assets	Tianshui Tram Co., Ltd.	52,933	265	–	–
Other non-current assets	CRCC Financial Leasing Co., Ltd.	51,280	–	44,870	–
Other non-current assets	Ningxia Inter-City Railway Co., Ltd.	50,320	252	20,315	102
Other non-current assets	CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	49,247	246	46,956	235
Other non-current assets	Yuzhou High speed Railway Station Facilities Construction and Operation Co., Ltd.	47,500	–	45,000	–
Other non-current assets	CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	45,470	45	–	–
Other non-current assets	Gansu Gonghang Travel Lan'a Highway Management Co., Ltd.	44,743	224	–	–
Other non-current assets	China Railway Construction (Weinan) Chengwei Expressway Co., Ltd.	43,020	43	45,495	45

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other non-current assets	CRCC Shaanxi Meitai Expressway Co., Ltd.	40,633	203	10,725	54
Other non-current assets	Qingdao Qingping Tiecheng Construction Engineering Co., Ltd.	39,774	199	–	–
Other non-current assets	Ningxia High-speed Rail Industry Development Co., Ltd.	17,176	4,446	–	–
Other non-current assets	Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	7,996	88	176,562	–
Other non-current assets	CRCC Development Group (Xishuangbanna) Ecological Development Co., Ltd.	1,000	–	15,000	–
Other non-current assets	China Railway Construction Investment Corporation Yancheng Huangsha Port Development Co., Ltd.	310	–	15,843	16
Other non-current assets	Guizhou Jinrentong Expressway Development Co., Ltd.	–	–	1,302,040	–
Other non-current assets	CRCC Hunan Expressway Co., Ltd.	–	–	178,286	891
Other non-current assets	CRCC Gansu Zhangbian Highway Co., Ltd.	–	–	106,179	613
Other non-current assets	China Railway Construction and Investment Shanxi Expressway Co., Ltd.	–	–	159,668	798
Other non-current assets	Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	–	–	328,175	1,641
Other non-current assets	China Railway Construction Investment (Liaoning) Expressway Co., Ltd.	–	–	109,858	554
Other non-current assets	Sichuan Tianmeile Highway Co., Ltd.	–	–	268,272	–
Other non-current assets	China Railway Construction Ningxia Expressway Co., Ltd.	–	–	46,680	2,597
Other non-current assets	China Railway Construction & Investment Xi'an City Development Co., Ltd.	–	–	33,145	3,314
Other non-current assets	Others	1,134,147	11,507	1,032,294	3,256
Total		12,273,366	28,895	12,145,578	21,534

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Contract assets	Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	518,814	1,673	632,667	3,322
Contract assets	Gansu Jingli Expressway Longnan Management Co., Ltd.	425,942	600	389,121	1,576
Contract assets	CRCC Guizhou Engineering Investment Co., Ltd	386,654	387	386,654	387
Contract assets	Zhejiang Hangzhou Ningbo Double Line Ningbo Phase I Expressway Co., Ltd.	162,471	3,485	176,427	3,485
Contract assets	Guizhou Wengma Railway North South Extension Co., Ltd.	157,896	114	13,806	15
Contract assets	Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	148,384	547	107,928	775
Contract assets	Chongqing Tiefu Jianxin Highway Co., Ltd.	124,653	328	2,366	23
Contract assets	Guangzhou Nansha Kecheng Investment Development Co., Ltd.	121,144	426	91,342	457
Contract assets	Guangxi Urban Rail Engineering Construction Co., Ltd.	108,283	669	25,256	253
Contract assets	CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	95,506	438	89,949	438
Contract assets	Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	86,766	433	257,674	1,274
Contract assets	Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	84,358	422	28,612	143
Contract assets	Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	84,013	420	19,922	103
Contract assets	Shanghai Gangheng Real Estate Co., Ltd.	80,016	400	20,309	102
Contract assets	Sichuan Chengmian Cangba Expressway Co., Ltd.	79,416	357	–	–
Contract assets	Sichuan Tianmeile Highway Co., Ltd.	69,745	865	75,374	377
Contract assets	Ningbo Jingwan Investment Management Co., Ltd.	69,617	70	69,471	–
Contract assets	Shiyan Luxiang Transportation Investment Co., Ltd.	67,793	339	67,793	339
Contract assets	CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	65,536	328	87,517	382
Contract assets	Nanjing Jingrui Real Estate Investment Co., Ltd.	64,509	65	66,463	66

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Contract assets	Huaibei Zhongsui Construction Development Co., Ltd.	62,890	63	–	–
Contract assets	Liaocheng Rongxing Construction Investment Co., Ltd.	61,610	308	61,569	308
Contract assets	Quanzhou Futie Construction Investment Co., Ltd.	61,045	305	61,036	305
Contract assets	Jiashan Chengfa Construction and Development Co., Ltd.	58,090	58	60,394	60
Contract assets	CRCC Development (Rizhao) Environmental Protection Co., Ltd.	55,760	56	55,760	489
Contract assets	Yantai Tongyuan Fushan Investment and Development Construction Co., Ltd.	54,060	271	53,352	267
Contract assets	Sichuan Tiexin Zhiyuan Construction Co., Ltd.	53,921	270	52,671	263
Contract assets	Xinxiang Xinchuang Technology Investment Development Co., Ltd.	53,566	–	–	–
Contract assets	Ningbo Jinghai Investment Management Co., Ltd.	52,616	263	52,616	263
Contract assets	Gansu Dundang Expressway Project Management Co., Ltd.	48,344	10	25,392	13
Contract assets	Shanghai Wanjinglong Real Estate Co., Ltd.	48,190	482	45,945	230
Contract assets	Xiangyang Ring Road Speed Up Transformation Construction and Operation Co., Ltd.	47,667	404	47,667	395
Contract assets	Hubei Railway Group Dangyuan Co., Ltd.	44,291	7,570	46,983	235
Contract assets	Guizhou Jinrentong Expressway Development Co., Ltd.	43,959	–	–	–
Contract assets	Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	43,446	212	43,926	525
Contract assets	Jiangxi Wanshui Ecological Resources Development Co., Ltd.	42,369	46	30,864	154
Contract assets	CRCC Real Estate Co., Ltd.	41,450	79	38,622	53
Contract assets	Xinjiang Shuifa Yaochi Project Management Co., Ltd.	40,955	41	–	–
Contract assets	Fuzhou North Railway Station South Square Construction and Development Co., Ltd.	40,310	418	83,577	418
Contract assets	Chongqing Sci Tech Innovation High tech Park Construction and Operation Co., Ltd.	39,874	399	47,391	396
Contract assets	Kunming Qiping Real Estate Co., Ltd.	39,288	172	82,976	378

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Contract assets	CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	38,751	388	4,739	209
Contract assets	Shaanxi Huangpu Expressway Co., Ltd.	38,103	34	34,276	34
Contract assets	Ningxia Inter-City Railway Co., Ltd.	37,846	296	58,830	26
Contract assets	Chengdu Jiaotou Kunlun Construction Engineering Co., Ltd.	37,233	943	152,067	1,827
Contract assets	Guizhou Tongxin Expressway Development Co., Ltd.	34,435	19	–	–
Contract assets	Suzhou Ruihua Real Estate Co., Ltd.	33,953	347	34,745	347
Contract assets	Beijing Xinda Real Estate Co., Ltd.	33,495	33	31,257	31
Contract assets	Heshan No.18 Engineering Construction Co., Ltd.	31,958	–	39,347	–
Contract assets	Hubei Railway Group Ziyun Co., Ltd.	31,687	158	31,687	158
Contract assets	Jiangmen Jiangwan Nanguang Investment Development Co., Ltd.	31,291	175	36,574	218
Contract assets	Sichuan Nansuitong Expressway Co., Ltd.	30,657	153	–	–
Contract assets	Yunnan Kunchu Highway Investment & Development Co., Ltd.	30,329	26	–	–
Contract assets	Foshan Road and Bridge Prefabricated Components Co., Ltd.	29,477	18	3,697	18
Contract assets	Guangxi Shatie Railway Co., Ltd.	28,964	84	19,225	53
Contract assets	Nanping New City Port Development Co., Ltd.	28,541	143	22,251	111
Contract assets	Huizhou China Railway Construction Port and Shipping Bureau Infrastructure Investment Co., Ltd.	28,265	26	28,031	26
Contract assets	Taiyuan Airport Hub Real Estate Co., Ltd.	27,543	33	23,718	80
Contract assets	Chongqing Yuxiang Fuxian Highway Co., Ltd.	26,160	26	29,426	29
Contract assets	China Railway Construction Corporation	26,145	26	–	–
Contract assets	Xixian New Area Century Pipe Gallery Construction Management Co., Ltd.	25,473	31	21,478	33
Contract assets	Gansu Gonghanglv Longzhang Expressway Management Co., Ltd.	23,986	59	12,232	61
Contract assets	Yangjiang Zhongcai Railway Construction Project Management Co., Ltd.	23,911	119	20,669	103
Contract assets	Nanchang Zhubang Construction Co., Ltd.	22,292	345	69,074	345
Contract assets	Chengdu Yuelin Real Estate Co., Ltd.	21,871	109	40,544	203

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Contract assets	Pingdu City Characteristic Town Construction Management Co., Ltd.	21,542	108	–	–
Contract assets	CRCC (Tianjin) Rail-Transit Investment Build Co., Ltd.	20,585	103	–	–
Contract assets	Fujian Green Energy Construction Development Co., Ltd.	19,565	98	19,565	98
Contract assets	CRCC Kunlun Yunnan Real Estate Co., Ltd.	19,542	86	22,038	91
Contract assets	China Railway Construction Beishui (Putian) Water Co., Ltd.	19,377	97	9,129	46
Contract assets	Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	19,156	96	20,835	249
Contract assets	Lanzhou Lianhuo Qingzhong Expressway Construction and Development Co., Ltd.	19,099	–	5,660	–
Contract assets	Chongqing Tiefs Shuanghe Expressway Co., Ltd.	17,741	90	21,313	96
Contract assets	Jiangxi Leshui Ecotourism Development Co., Ltd.	17,683	88	17,683	88
Contract assets	Hangzhou Jiandejiang Investment Co., Ltd.	17,660	110	9,413	110
Contract assets	Wuhan Zhaorui Real Estate Co., Ltd.	17,126	86	12,657	63
Contract assets	Guizhou Baoyuan Real Estate Co., Ltd.	16,256	81	16,256	81
Contract assets	Nanjing Jingyue Real Estate Development Co., Ltd.	15,760	79	12,358	12
Contract assets	Chongqing Jianlian New Real Estate Development Co., Ltd.	15,463	77	13,497	67
Contract assets	China Railway Construction Sichuan Dejian Expressway Co., Ltd.	15,220	–	4,241	–
Contract assets	Chengdu Huaisheng Project Management Co., Ltd.	14,962	75	14,887	74
Contract assets	China Railway Construction Corporation	11,757	10	5,780	6
Contract assets	Shanxi Transformation and Comprehensive Reform Demonstration Zone Yaocun Guanlang Project Management Co., Ltd.	10,382	104	10,382	104
Contract assets	Shandong Expressway Jinghu Expressway Co., Ltd.	–	–	44,474	222

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Contract assets	Wuhu Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.	–	–	55,097	275
Contract assets	Beijing Ruida Real Estate Co., Ltd.	–	–	57,567	332
Contract assets	Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	–	–	43,811	438
Contract assets	Others	432,182	13,489	595,319	14,345
Total		5,498,641	42,261	5,225,221	38,978
Advance payments	CRCC Financial Leasing Co., Ltd.	129,077	–	66,727	–
Advance payments	Xuzhou Jiaokong Supply Chain Co., Ltd.	29,509	–	–	–
Advance payments	Hubei Lvchuan Construction Co., Ltd.	21,542	–	1,584	–
Advance payments	Shihezi Zhucheng Mineral Development Co., Ltd.	7,000	–	7,550	–
Advance payments	Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	1,517	–	10,310	–
Advance payments	Wuhu Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.	–	–	17,670	–
Advance payments	Others	9,473	–	6,962	–
Total		198,118	–	110,803	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(1) Accounts receivable (Continued)

RMB'000

		30 June 2025		31 December 2024	
		Gross carrying amount	Credit loss allowance	Gross carrying amount	Credit loss allowance
Other current assets	China Railway Construction and Investment Shanxi Expressway Co., Ltd.	161,816	847	–	–
Other current assets	CRCC Gansu Zhangbian Highway Co., Ltd.	107,624	–	–	–
Other current assets	China Railway Construction Investment (Lianjiang) Development and Construction Co., Ltd.	32,038	160	–	–
Other current assets	Guizhou Baoyuan Real Estate Co., Ltd.	6,599	7	855	1
Other current assets	Gansu Dundang Expressway Project Management Co., Ltd.	1,111	10	1,065	10
Total		309,188	1,024	1,920	11

(2) Accounts payable

RMB'000

		30 June 2025	31 December 2024
Bills payable	Note 1 Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	10,000	–
Bills payable	Note 1 Kunming Tiexin Construction Engineering Management Co., Ltd.	7,620	–
Bills payable	Note 1 CRCC Financial Leasing Co., Ltd.	5,395	–
Bills payable	Note 1 Xuzhou Jiaokong Supply Chain Co., Ltd.	1,670	60,000
Bills payable	Note 1 Zhuhai Jiaojian Engineering Co., Ltd.	–	10,583
Bills payable	Note 1 Gansu Tietou Materials Co., Ltd.	–	5,000
Bills payable	Note 1 Hubei Lvchuang Construction Co., Ltd.	–	2,000
Bills payable	Note 1 Others	–	2,054
Total		24,685	79,637

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

RMB'000

		30 June 2025	31 December 2024
Accounts payable	Note 1 Chengdu Jiaotou Kunlun Construction Engineering Co., Ltd.	337,533	–
Accounts payable	Note 1 Xuzhou Jiaokong Supply Chain Co., Ltd.	180,105	320,114
Accounts payable	Note 1 CRCC Financial Leasing Co., Ltd.	158,683	402,362
Accounts payable	Note 1 Shandong High-speed Railway Construction Equipment Co., Ltd.	102,977	136,728
Accounts payable	Note 1 CRCC (Wuxi) Engineering Technology Development Co., Ltd.	82,965	30,757
Accounts payable	Note 1 Kunming Tiexin Construction Engineering Management Co., Ltd.	67,735	13,863
Accounts payable	Note 1 Jinan Rail China Railway Segment Manufacturing Co., Ltd.	64,695	77,434
Accounts payable	Note 1 Guangxi Urban Rail Engineering Construction Co., Ltd.	64,534	78,596
Accounts payable	Note 1 Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	63,867	136,460
Accounts payable	Note 1 Foshan Road and Bridge Prefabricated Components Co., Ltd.	52,010	28,784
Accounts payable	Note 1 Xuzhou Xintong Prefabricated Component Manufacturing Co., Ltd.	51,591	51,374
Accounts payable	Note 1 Hubei Lvchuang Construction Co., Ltd.	48,367	14,128
Accounts payable	Note 1 Gansu Tietou Materials Co., Ltd.	34,699	102,274
Accounts payable	Note 1 Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	28,775	8,035
Accounts payable	Note 1 Chengdu Chengtuo Urban Construction Technology Co., Ltd.	27,257	27,807
Accounts payable	Note 1 Zhuhai Jiaojian Engineering Co., Ltd.	20,018	12,312
Accounts payable	Note 1 Hebei China Railway Cangyan Construction Technology Co., Ltd.	17,086	26,798
Accounts payable	Note 1 Shenzhen Building Materials Trading Group Construction Technology Co., Ltd.	16,615	–
Accounts payable	Note 1 Xiamen Road and Bridge Construction Group Engineering Co., Ltd.	14,043	–
Accounts payable	Note 1 Gansu Tietou Fangqiao Railway Equipment Manufacturing Co., Ltd.	13,192	7,251
Accounts payable	Note 1 Wuhan LvYin Landscape Engineering Co., Ltd.	11,655	30,276
Accounts payable	Note 1 Baoding Lingyu New Building Materials Co., Ltd.	10,038	9,654
Accounts payable	Note 1 Nantong Tiejian Construction Components Co., Ltd.	9,779	9,280
Accounts payable	Note 1 Chongqing Monorail Transit Engineering Group Co., Ltd.	9,667	9,667
Accounts payable	Note 1 Nanchang Railway Building Materials Co., Ltd.	9,507	59,765
Accounts payable	Note 1 Lipu Putie Building Materials Co., Ltd.	8,854	5,322
Accounts payable	Note 1 Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	8,153	8,153
Accounts payable	Note 1 Xinjiang Asia Europe China Railway International Logistics Group Co., Ltd.	7,885	25,968
Accounts payable	Note 1 Others	95,883	156,633
Total		1,618,168	1,789,795

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

RMB'000

			30 June 2025	31 December 2024
Contract liabilities	Note 4	Sichuan Tianfu Airport Expressway Co., Ltd.	1,004,635	28,513
Contract liabilities	Note 4	Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	976,844	456,948
Contract liabilities	Note 4	Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	943,927	35,049
Contract liabilities	Note 4	Yunnan Luqiu Guangfu Expressway Investment and Development Co., Ltd.	737,000	737,000
Contract liabilities	Note 4	Guizhou Jinrentong Expressway Development Co., Ltd.	585,204	609,860
Contract liabilities	Note 4	Hainan Jinfa Railway Construction Port Construction Co., Ltd.	541,867	65,192
Contract liabilities	Note 4	Sichuan Chengmian Cangba Expressway Co., Ltd.	375,881	673,190
Contract liabilities	Note 4	Sichuan Nansuitong Expressway Co., Ltd.	331,461	157,964
Contract liabilities	Note 4	Wuxue Port Multimodal Transport Investment Development Co., Ltd.	297,857	–
Contract liabilities	Note 4	CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	265,631	134,457
Contract liabilities	Note 4	Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	182,812	–
Contract liabilities	Note 4	CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	182,796	10,106
Contract liabilities	Note 4	Nantong Yanglu Railway Development and Construction Co., Ltd.	176,628	–
Contract liabilities	Note 4	Gansu Jinhe Expressway Project Management Co., Ltd.	162,297	–
Contract liabilities	Note 4	Guigang Hesi Quanyu Tourism Development Co., Ltd.	160,263	95,000
Contract liabilities	Note 4	China Railway Construction Investment (Liaoning) Expressway Co., Ltd.	159,367	–
Contract liabilities	Note 4	Tianshui Tram Co., Ltd.	155,302	21,539
Contract liabilities	Note 4	Haikou Jiangdong Xinju Second Real Estate Co., Ltd.	153,404	52,335
Contract liabilities	Note 4	Nanjing Jiangbei New Area Guanglian Pipeline Corridor Construction Co., Ltd.	143,288	145,040
Contract liabilities	Note 4	Chongqing Tieda Jianxin Highway Co., Ltd.	111,288	65,493
Contract liabilities	Note 4	Guiyang Changda Rail Transit Construction Co. Ltd.	110,268	83,483
Contract liabilities	Note 4	Jingnan (Gu'an) Urban Development and Construction Co., Ltd.	108,653	–
Contract liabilities	Note 4	Kunming Fuyi Highway Co., Ltd.	108,237	21,757
Contract liabilities	Note 4	Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	105,165	68,261
Contract liabilities	Note 4	Chongqing Yuxiang Fuxian Highway Co., Ltd.	98,027	262,587
Contract liabilities	Note 4	Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	93,975	–
Contract liabilities	Note 4	Liuzhou Zhongbei Construction Investment Management Co., Ltd.	87,524	–
Contract liabilities	Note 4	Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	87,289	52,570
Contract liabilities	Note 4	Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	81,433	121,172
Contract liabilities	Note 4	Tianjin Line 1 Rail Transit Operation Co., Ltd.	70,523	34,567
Contract liabilities	Note 4	Chengdu Jiaotou Kunlun Construction Engineering Co., Ltd.	69,400	29,527

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

		RMB'000	
		30 June 2025	31 December 2024
Contract liabilities	Note 4 CRCC East China (Cixi) Construction Co., Ltd.	65,256	141,250
Contract liabilities	Note 4 China Railway Construction Ningxia Expressway Co., Ltd.	62,645	–
Contract liabilities	Note 4 Sichuan Tianmeile Highway Co., Ltd.	62,379	118,289
Contract liabilities	Note 4 Hangzhou Xiasha Road Tunnel Co., Ltd.	61,891	5,876
Contract liabilities	Note 4 Yanji Comprehensive Pipe Gallery Construction and Operation Co., Ltd.	60,280	–
Contract liabilities	Note 4 Shaanxi Guanhuang Linfa Expressway Co., Ltd.	48,791	–
Contract liabilities	Note 4 CRCC Shaanxi Meitai Expressway Co., Ltd.	48,586	23,621
Contract liabilities	Note 4 Zhejiang Hangzhou Ningbo Double Line Ningbo Phase I Expressway Co., Ltd.	48,054	61,998
Contract liabilities	Note 4 Luoyang Guozhan New Industry Development Co., Ltd.	47,903	7,570
Contract liabilities	Note 4 CRCC Xinjiang Jingxin Expressway Co., Ltd.	45,160	10,679
Contract liabilities	Note 4 Sichuan Jintou Project Investment Co., Ltd.	40,229	65,370
Contract liabilities	Note 4 China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	32,861	3,750
Contract liabilities	Note 4 CRCC Shaanxi Highway Co., Ltd.	30,703	218,970
Contract liabilities	Note 4 Guizhou Wengma Railway North South Extension Co., Ltd.	23,541	27,975
Contract liabilities	Note 4 Sichuan Suide Expressway Co., Ltd.	23,168	26,336
Contract liabilities	Note 4 Yongzhou Railway Co., Ltd.	16,289	52,196
Contract liabilities	Note 4 Cangzhou Tieshi Urban Development Co., Ltd.	7,491	28,880
Contract liabilities	Note 4 Hangqu Railway Co., Ltd.	2,597	576,115
Contract liabilities	Note 4 Tianjin Bincheng Meihao Shenghuo Co., Ltd.	1,843	30,233
Contract liabilities	Note 4 Guangzhou Guanghua Intercity Rail Transit Co., Ltd.	–	498,477
Contract liabilities	Note 4 Tongling Guanghe High-Tech Energy Technology Co., Ltd.	–	62,993
Contract liabilities	Note 4 Hangzhou Lin'an Xingsheng Construction Investment Co., Ltd.	–	39,335
Contract liabilities	Note 4 Others	875,755	1,021,735
Total		10,273,668	6,983,258

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

		RMB'000	
		30 June 2025	31 December 2024
Other payables	Note 1 Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	2,771,992	2,378,696
Other payables	Note 1 CRCC Xinjiang Jingxin Expressway Co., Ltd.	2,415,781	2,322,963
Other payables	Note 1 Shanghai Wanjianglong Real Estate Co., Ltd.	1,982,042	1,511,648
Other payables	Note 1 Shanghai Jingmao Yue Real Estate Co., Ltd.	1,824,383	–
Other payables	Note 1 Guiyang Changda Rail Transit Construction Co. Ltd.	1,091,600	1,087,294
Other payables	Note 1 Chongqing Tiefu Jianxin Highway Co., Ltd.	809,645	701,857
Other payables	Note 1 Shanghai Xinjinghui Real Estate Development Co., Ltd.	749,768	721,178
Other payables	Note 1 Shanghai Jingmiao Xin Real Estate Co., Ltd.	718,605	709,885
Other payables	Note 1 Kunming Fuyi Highway Co., Ltd.	671,894	573,474
Other payables	Note 1 China Railway Construction Investment Wenyu (Taizhou) Railway Co., Ltd.	622,904	30,956
Other payables	Note 1 CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	602,789	638
Other payables	Note 1 China Railway Construction Investment (Liaoning) Expressway Co., Ltd.	504,671	–
Other payables	Note 1 CRCC Dongfang Investment Construction (Cixi) Co., Ltd.	491,843	489,306
Other payables	Note 1 Yunnan Kunchu Highway Investment & Development Co., Ltd.	490,720	934,366
Other payables	Note 1 Kunming Kunlun Shouzhi Real Estate Co., Ltd.	488,500	244,250
Other payables	Note 1 Chongqing Tiefu Shuanghe Expressway Co., Ltd.	487,960	620,844
Other payables	Note 1 Ningbo Runsheng Real Estate Development Co., Ltd.	442,841	438,886
Other payables	Note 1 CRCC Sichuan Dedu Highway Co., Ltd.	415,012	406,856
Other payables	Note 1 Tianjin Line 1 Rail Transit Operation Co., Ltd.	409,406	22,959
Other payables	Note 1 Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	384,345	283,077

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

		RMB'000	
		30 June 2025	31 December 2024
Other payables	Note 1 Shanghai Xinfucheng Real Estate Development Co., Ltd.	363,564	363,564
Other payables	Note 1 China Railway Construction Investment (Wenzhou) Urban Development Co., Ltd.	357,014	5,617
Other payables	Note 1 Sichuan Nansuitong Expressway Co., Ltd.	355,921	230,742
Other payables	Note 1 Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	331,075	410,606
Other payables	Note 1 Beijing Xintie Xinjian Investment Co., Ltd.	325,882	303,124
Other payables	Note 1 Guizhou Tongxin Expressway Development Co., Ltd.	305,883	304,345
Other payables	Note 1 Shanghai Xinruicheng Real Estate Development Co., Ltd.	304,807	296,066
Other payables	Note 1 CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	303,955	267,926
Other payables	Note 1 Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	259,998	450,916
Other payables	Note 1 CRCC (Shandong) Deshang Highway Co., Ltd.	248,802	652
Other payables	Note 1 Chongqing Yusui Fuxian Highway Co., Ltd.	244,459	217,270
Other payables	Note 1 China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	237,630	1,135
Other payables	Note 1 Chengdu Wuhou District Yele Real Estate Development Co., Ltd.	219,076	221,076
Other payables	Note 1 China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	217,463	227,790
Other payables	Note 1 Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	214,466	214,466
Other payables	Note 1 Shanghai Hongjun Real Estate Development Co., Ltd.	199,920	199,920
Other payables	Note 1 China Railway Construction Investment Jilin Changtai Expressway Co., Ltd.	186,316	100,751
Other payables	Note 1 Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	176,434	35,030
Other payables	Note 1 Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	175,874	21,157
Other payables	Note 1 China Railway Construction Investment (Tongxiang) Construction Management Co., Ltd.	175,647	58,099
Other payables	Note 1 CRCC Investment Baoding Urban Development and Construction Co., Ltd.	159,703	216,288
Other payables	Note 1 Chongqing Tiecheng Electric Power Construction and Operation Co., Ltd.	155,519	132,565
Other payables	Note 1 Guangde Railway Construction Chuncheng Rail Transit Equity Investment Partnership Enterprise (Limited Partnership)	133,904	67,545
Other payables	Note 1 Gansu Gonghanglv Lanyonglin Expressway Project Management Co., Ltd.	131,658	121,373
Other payables	Note 1 Guangzhou Hongxuan Real Estate Co., Ltd.	118,489	118,489
Other payables	Note 1 Yunnan Luxun Highway Co., Ltd.	116,941	117,470

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

RMB'000

		30 June 2025	31 December 2024
Other payables	Note 1 Hohhot Metro Line 2 Construction & Management Co., Ltd.	114,331	98,952
Other payables	Note 1 Chongqing Tiefa Xiusong Highway Co., Ltd.	110,686	150,817
Other payables	Note 1 China Railway Construction Shandong Jinghu Expressway Jile Co., Ltd.	110,092	96,926
Other payables	Note 1 China Railway Construction Investment Baoding Lianchi Construction Co., Ltd.	109,411	1,340
Other payables	Note 1 Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	100,003	100,153
Other payables	Note 1 Sichuan DaNei Expressway Co., Ltd.	97,318	99,552
Other payables	Note 1 Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	95,952	56,438
Other payables	Note 1 CRCC Real Estate Co., Ltd.	95,438	4,182
Other payables	Note 1 Yangzhou Wantou Jade Feature Town Co., Ltd.	94,859	120,406
Other payables	Note 1 China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	92,360	149,943
Other payables	Note 1 Wuhan Jinkun Real Estate Development Co., Ltd.	90,615	–
Other payables	Note 1 China Railway Construction Investment (Xiangtan) New Energy Industrial Park Development Co., Ltd.	89,671	71,907
Other payables	Note 1 Guizhou Guijin Expressway Co., Ltd.	89,477	88,069
Other payables	Note 1 Chengdu Jiaotou Guishancheng Industrial Co., Ltd.	85,391	85,237
Other payables	Note 1 Nanjing Jingrui Real Estate Investment Co., Ltd.	84,766	66,016
Other payables	Note 1 CRCC Kunlun Yunnan Real Estate Co., Ltd.	84,454	57,916
Other payables	Note 1 China Railway Construction & Investment Xi'an City Development Co., Ltd.	77,956	74,373
Other payables	Note 1 Ningbo Jingwan Investment Management Co., Ltd.	76,892	6
Other payables	Note 1 CRCC Gansu Zhangbian Highway Co., Ltd.	75,447	86,822
Other payables	Note 1 CRCC Shaanxi Meitai Expressway Co., Ltd.	73,736	7,974
Other payables	Note 1 Chengdu Zhongwan Yixing Real Estate Co., Ltd.	72,520	91,359
Other payables	Note 1 Baoding Hongmao Real Estate Development Co., Ltd.	69,342	69,292
Other payables	Note 1 Others	892,851	3,373,078
Total		27,280,669	23,133,873

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

RMB'000

		30 June 2025	31 December 2024
Due to customers	Note 5 CRCC JinLi Asset Management Co., Ltd.	462,085	609,490
Due to customers	Note 5 China Railway Construction Corporation	302,980	289,618
Due to customers	Note 5 China-Africa Lekkil Investment Co., Ltd.	143,621	141,379
Due to customers	Note 5 Jining China Railway Shengtong Urban Construction and Development Co., Ltd.	90,775	101,919
Due to customers	Note 5 Liuzhou Beicheng China Railway Project Management Co., Ltd.	51,457	45,625
Due to customers	Note 5 Hangzhou Jiandejiang Investment Co., Ltd.	43,055	145,717
Due to customers	Note 5 Beijing Xintie Xinjian Investment Co., Ltd.	30,813	429,923
Due to customers	Note 5 Guangzhou ShengDu Investment Development Co., Ltd.	4,878	58,226
Due to customers	Note 5 Taiyuan Existing Residential Energy Conservation Renovation Project Management Co., Ltd.	–	81,246
Due to customers	Note 5 Others	99,676	148,154
Total		1,229,340	2,051,297
Long-term loans (including current portion)	Note 6 China Railway Construction Corporation	1,836,876	1,836,876
Total		1,836,876	1,836,876
Lease liabilities (including current portion)	CRCC Financial Leasing Co., Ltd.	1,867,370	1,933,068
Lease liabilities (including current portion)	Shandong High-speed Railway Construction Equipment Co., Ltd.	71,849	–
Lease liabilities (including current portion)	Others	147,262	73,588
Total		2,086,481	2,006,656

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

		RMB'000	
		30 June 2025	31 December 2024
Long-term payables (including current portion)	Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	695,442	586,121
Long-term payables (including current portion)	Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	433,697	423,498
Long-term payables (including current portion)	Tianjin Tiejian Hongtu Fengchuang Investment Partnership (Limited Partnership)	200,235	198,593
Long-term payables (including current portion)	Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	195,644	189,520
Long-term payables (including current portion)	CRCC Financial Leasing Co., Ltd.	115,916	554,732
Long-term payables (including current portion)	Tianjin Tiejian Yinkun Equity Investment Partnership Enterprise (Limited Partnership)	75,598	104,275
Long-term payables (including current portion)	China Railway Construction (Weinan) Chengwei Expressway Co., Ltd.	50,755	50,189
Long-term payables (including current portion)	Liaocheng Rongxing Construction Investment Co., Ltd.	50,725	–
Long-term payables (including current portion)	China Railway Construction Investment Shandong Taidong Expressway Co., Ltd.	50,343	49,777
Long-term payables (including current portion)	Fuzhou Donglin Ring Expressway Co., Ltd.	50,337	–
Long-term payables (including current portion)	Shanghai Jingmiaoxin Real Estate Co., Ltd.	39,525	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (Continued)

(2) Accounts payable (Continued)

		RMB'000	
		30 June 2025	31 December 2024
Long-term payables (including current portion)	Shanghai Xinjinhui Real Estate Development Co., Ltd.	34,947	-
Long-term payables (including current portion)	Others	21,299	105,793
Total		2,014,463	2,262,498

Note 1: The amounts due from/to related parties were interest-free, unsecured, and had no fixed terms of repayment.

Note 2: The amounts due from related parties were loans for cooperative development project from the Group's real estate development operation segments, with the interest rate agreed in the contracts.

Note 3: The amounts due from the Controlling Shareholder and associates were borrowings from CRCC Finance Company Limited.

Note 4: The amounts were mainly advances from related parties and were interest-free.

Note 5: The amounts due to the Group's related parties were deposits in CRCC Finance Company Limited.

Note 6: The amounts were appropriations from the Ministry of Finance to the Controlling Shareholder and considered as the entrusted loans granted to the Group by the Controlling Shareholder. The interest rate of such entrusted loans was determined by the Loan Prime Rate published by National Interbank Funding Center.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XII. COMMITMENTS AND CONTINGENCIES

1. Commitments

RMB'000

	30 June 2025	31 December 2024
Capital commitments	1,896,302	2,587,252
Investment commitments	49,364,854	53,621,250
Total	51,261,156	56,208,502

As the lessee's lease commitment, please refer to Note III.29; For unconfirmed commitments related to investments in joint ventures, please refer to Note VII.2.

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

	30 June 2025	31 December 2024
Provide guarantees for Associates	1,402,748	1,569,794
Provide guarantees for other entities	527,716	485,288
Total	1,930,464	2,055,082

The above guarantees exclude guarantees in respect of the banking facilities other than mortgages. As at 30 June 2025, the Group's guarantees (excluding guarantees in respect of the banking facilities other than mortgages) amounted to RMB1,930,464,000 (31 December 2024: RMB2,055,082,000), the guarantees in respect of mortgages amounted to RMB20,655,785,000 (31 December 2024: RMB20,588,858,000). As at 30 June 2025 the guarantees rarely defaulted payments to the banks, thus the Group considered the risks related to the guarantees were low and the fair value was immaterial.

The above guarantees in respect of mortgages were granted to the purchasers of the Group's properties and secured by the mortgages.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XIII. EVENTS AFTER THE BALANCE SHEET DATE

As at 30 June, the Group has no material events after the reporting period that require disclosure.

XIV. OTHER SIGNIFICANT EVENTS

1. *Segment reporting*

(1) **Operating segments**

For management purposes, the Group is organised into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The plan, design and consultancy operations segment engages in the provision of plan, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- (3) The manufacturing operations segment engages in the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- (4) The real estate development operations segment engages in the development, construction and sale of residential properties and commercial properties; and
- (5) The other business operations segment mainly comprises trade and logistics, finance and insurance and highway operation service.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

(1) Operating segments (Continued)

The transfer pricing between segments shall be determined with reference to the prices used for third-party sales or provision of services.

RMB'000

	Construction operations	Plan, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
For the six months ended 30 June 2025							
Revenue from external customers	430,364,856	6,737,848	9,323,287	20,755,405	22,017,649	-	489,199,045
Inter- segment sales	4,234,701	5,328	2,502,746	-	18,700,402	(25,443,177)	-
Share of profits/(losses) of joint ventures and associates	122,052	(40,565)	102,614	(138,631)	(577,609)	-	(532,139)
Impairment of credit losses and impairment losses on assets	(1,645,935)	(171,640)	(121,022)	(149,463)	(317,685)	-	(2,405,745)
Depreciation and amortisation	11,126,745	247,091	643,217	144,051	873,072	-	13,034,176
Profit before tax	11,190,183	1,473,544	1,228,867	1,651	1,374,571	84,638	15,353,454
Other disclosures:							
Increase in other non- current assets other than long- term equity investments	10,210,180	171,491	264,899	228,082	7,016,273	-	17,890,925
30 June 2025							
Segment assets	1,516,704,464	34,702,834	66,298,198	360,878,391	458,817,716	(430,765,834)	2,006,635,769
Segment liabilities	1,227,967,181	8,884,811	36,738,835	290,066,282	396,888,407	(384,498,809)	1,576,046,707
Other disclosures:							
Long- term equity investments in joint ventures and associates	129,859,570	4,620,335	2,310,760	13,005,395	3,750,384	-	153,546,444

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

(1) Operating segments (Continued)

RMB'000

	Construction operations	Plan, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
For the six months ended 30 June 2024							
Revenue from external customers	444,519,432	7,985,002	8,982,834	31,547,625	23,101,825	-	516,136,718
Inter- segment sales	7,095,352	17,282	2,250,658	-	19,062,719	(28,426,011)	-
Share of profits/(losses) of joint ventures and associates	(72,410)	(45,159)	103,700	(12,746)	(478,032)	-	(504,647)
Impairment of credit losses and impairment losses on assets	(1,649,866)	(122,809)	(50,640)	(206,403)	(232,074)	-	(2,261,792)
Depreciation and amortisation	9,301,543	212,209	770,497	179,671	730,592	-	11,194,512
Profit before tax	12,157,451	2,055,447	1,070,422	1,286,018	1,210,934	80,764	17,861,036
Other disclosures:							
Increase in other non- current assets other than long- term equity investments	10,872,627	89,323	726,556	503,469	6,482,427	-	18,674,402
21 December 2024							
Segment assets	1,405,761,006	36,472,462	60,747,733	365,501,730	423,084,312	(428,724,721)	1,862,842,522
Segment liabilities	1,130,330,016	10,204,106	31,708,706	294,367,197	364,826,902	(391,191,227)	1,440,245,700
Other disclosures:							
Long- term equity investments in joint ventures and associates	129,653,439	4,627,624	2,206,379	13,017,145	4,479,813	-	153,984,400

Note 1: Segment assets do not include deferred tax assets of RMB12,721,340,000 (31 December 2024: RMB12,152,500,000) and advance payment of corporate income tax of RMB2,612,361,000 (31 December 2024: RMB2,398,358,000), as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB445,919,535,000 (31 December 2024: RMB443,275,579,000) are eliminated on consolidation.

Note 2: Segment liabilities do not include deferred tax liabilities of RMB2,085,251,000 (31 December 2024: RMB1,979,263,000) and corporate income tax payable of RMB2,817,064,000 (31 December 2024: RMB3,671,037,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB389,221,124,000 (31 December 2024: RMB396,841,527,000) are eliminated on consolidation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

(2) Other information

Information of product and service

Revenue from external customers

RMB'000

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Construction operations	430,364,856	444,519,432
Real estate development operations	20,755,405	31,547,625
Manufacturing operations	9,323,287	8,982,834
Plan, design and consultancy operations	6,737,848	7,985,002
Other business operations	22,017,649	23,101,825
Total	489,199,045	516,136,718

Geographical information

Revenue from external customers

RMB'000

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Mainland China	452,109,573	485,302,962
Outside Mainland China	37,089,472	30,833,756
Total	489,199,045	516,136,718

In the geographical information above, revenue from external customers is based on the locations of the customers.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (Continued)

(2) Other information (Continued)

Geographical information (Continued)

Total non-current assets

RMB'000

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Mainland China	371,844,718	359,626,839
Outside Mainland China	12,164,779	15,840,583
Total	384,009,497	375,467,422

Non-current asset information above is based on the locations of the non-current assets, excluding financial assets and deferred tax assets.

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer for the six months ended 30 June 2025 (for the six months ended 30 June 2024: did not derive more than 10% of its total revenue from any single customer).

2. Other financial information

(i) Pension scheme contributions

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Pension scheme contributions (defined contribution plans)	4,354,991	4,286,779
Pension scheme costs (defined benefit plans)	2,514	594

As at 30 June 2025, there were no forfeited contributions available to reduce the Group's contributions to its pension scheme in the next year (31 December 2024: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information (Continued)

(ii) Directors' and supervisors' remuneration

RMB'000

	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Directors' and supervisors' remuneration	1,371	2,251

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables

(1) An aging analysis of trade receivables is listed as follows:

RMB'000

	30 June 2025	31 December 2024
Within 1 year	3,357,142	2,659,327
1 to 2 years	103,593	245,733
2 to 3 years	93,127	–
Over 3 years	3,045	3,045
Subtotal	3,556,907	2,908,105
Less: Allowance for credit losses	43,001	36,010
Total	3,513,906	2,872,095

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Trade receivables (Continued)

(2) Trade receivables and allowance for credit losses by category are listed as follows:

RMB'000

	Gross carrying amount		30 June 2025 Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	3,556,907	100.00	43,001	1.21	3,513,906
Total	3,556,907	100.00	43,001	1.21	3,513,906

RMB'000

	Gross carrying amount		31 December 2024 Allowance for credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)	
Allowance for credit losses assessed by credit risk portfolio	2,908,105	100.00	36,010	1.24	2,872,095
Total	2,908,105	100.00	36,010	1.24	2,872,095

As at 30 June 2025, trade receivables whose allowance for credit losses were assessed by credit risk portfolio are listed as follows:

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Trade receivables (Continued)

- (2) Trade receivables and allowance for credit losses by category are listed as follows:
(Continued)

RMB'000

	Gross carrying amount	Allowance for credit losses	Percentage of Allowance for credit losses (%)
Within 1 year	3,357,142	25,989	0.77
1 to 2 years	103,593	5,384	5.20
2 to 3 years	93,127	9,801	10.52
Over 3 years	3,045	1,827	60.00
Total	3,556,907	43,001	1.21

- (3) As at 30 June 2025, top five entities with the largest balances of trade receivables and contract assets are listed as follows:

RMB'000

	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for credit losses
Company 1	997,347	284,036	1,281,383	18.81	12,814
Company 2	696,209	436,641	1,132,850	16.63	16,202
Company 3	370,856	289,055	659,911	9.69	18,031
Company 4	428,604	27,736	456,340	6.70	2,282
Company 5	400,434	31,043	431,477	6.33	2,333
Total	2,893,450	1,068,511	3,961,961	58.16	51,662

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables

(1) An aging analysis of other receivables is listed as follows:

RMB'000

	30 June 2025	31 December 2024
Within 1 year	21,160,829	15,249,793
1 to 2 years	687	7,080,384
2 to 3 years	18,051	418,080
Over 3 years	867,105	876,896
Subtotal	22,046,672	23,625,153
Less: Allowance for credit losses	1,288	1,430
Total	22,045,384	23,623,723

(2) Other receivables from the five largest customers are listed as follows:

RMB'000

	Amount	Percentage of total other receivables (%)	Nature	Aging	Closing balance of allowance for credit losses
Company 1	6,000,000	27.21	Accounts receivable from related parties	Within one year	-
Company 2	2,488,706	11.29	Accounts receivable from related parties	Within one year, 2 to 3 years	-
Company 3	1,000,000	4.54	Accounts receivable from related parties	Within one year	-
Company 4	700,118	3.18	Accounts receivable from related parties	1 to 2 years, 3 years or more	-
Company 5	543,114	2.46	Accounts receivable from related parties	Within one year	-
Total	10,731,938	48.68			-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

(1) Subsidiaries

RMB'000

	Carrying amount at 31 December 2024	Changes for the period Transfer to/ Increase in Decrease in investment investment		Carrying Amount at 30 June 2025	Impairment allowance
China Railway 11th Bureau Group Co., Ltd.	1,893,912	–	–	1,893,912	–
China Railway 12th Bureau Group Co., Ltd.	1,957,277	–	–	1,957,277	–
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,660,480	–	–	2,660,480	–
China Railway 14th Bureau Group Co., Ltd.	2,130,105	–	–	2,130,105	–
China Railway 15th Bureau Group Co., Ltd.	1,585,152	34,800	–	1,619,952	–
China Railway 16th Bureau Group Co., Ltd.	3,266,112	30,000	–	3,296,112	–
China Railway 17th Bureau Group Co., Ltd.	1,735,340	–	–	1,735,340	–
China Railway 18th Bureau Group Co., Ltd.	1,103,234	–	–	1,103,234	–
China Railway 19th Bureau Group Co., Ltd.	3,954,638	6,000	–	3,960,638	–
China Railway 20th Bureau Group Co., Ltd.	1,615,144	–	–	1,615,144	–
China Railway 21st Bureau Group Co., Ltd.	1,557,251	–	–	1,557,251	–
China Railway 22nd Bureau Group Co., Ltd.	1,295,286	–	–	1,295,286	–
China Railway 23rd Bureau Group Co., Ltd.	1,545,004	–	–	1,545,004	–
China Railway 24th Bureau Group Co., Ltd.	1,346,917	–	–	1,346,917	–
China Railway 25th Bureau Group Co., Ltd.	1,348,597	7,800	–	1,356,397	–
China Railway Construction Group Co., Ltd.	2,868,346	–	–	2,868,346	–
China Railway Construction Real Estate Group Co., Ltd.	7,242,745	4,129	–	7,246,874	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(1) Subsidiaries (Continued)

RMB'000

	Carrying amount at 31 December 2024	Changes for the period Transfer to/ Increase in Decrease in investment investment		Carrying Amount at 30 June 2025	Impairment allowance
China Railway Siyuan Survey and Design Group Co., Ltd.	1,747,809	–	–	1,747,809	–
China Railway Fifth Survey and Design Institute Group Co., Ltd.	338,196	–	–	338,196	–
China Railway Shanghai Design Institute Group Co., Ltd.	267,624	–	–	267,624	–
China Railway Materials Group Co., Ltd.	3,474,038	–	–	3,474,038	–
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd.	1,385,891	–	–	1,385,891	–
CRCC Finance Company Limited	8,460,000	–	–	8,460,000	–
China Railway Construction Corporation (International) Limited	3,012,602	–	–	3,012,602	–
China Railway Urban Construction Group Co., Ltd.	2,000,000	–	–	2,000,000	–
CRCC Kunlun Investment Group Co., Ltd.	3,600,000	–	–	3,600,000	–
Beijing CRCC Tianrui Machinery Equipment Co., Ltd.	2,000,000	–	–	2,000,000	–
China Civil Engineering Construction Corporation	2,946,507	–	–	2,946,507	–
China Railway Construction Electrification Bureau Group Co., Ltd.	1,105,530	–	–	1,105,530	–
China Railway Construction Heavy Industry Corporation Limited	4,028,004	–	–	4,028,004	–
China Railway Construction High- tech Equipment Co., Ltd.	1,714,796	–	–	1,714,796	–
China Railway Construction Business Management Co., Ltd.	15,621	–	4,129	11,492	–
China Railway Construction Investment Group Co., Ltd.	10,538,793	–	–	10,538,793	–
China Railway Construction South China Construction Co., Ltd.	1,000,000	–	–	1,000,000	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(1) Subsidiaries (Continued)

RMB'000

	Carrying amount at 31 December 2024	Changes for the period Transfer to/ Increase in Decrease in investment investment		Carrying Amount at 30 June 2025	Impairment allowance
Railway Construction Northwest Investment & Construction Co., Ltd.	1,000,000	–	–	1,000,000	–
China Railway Construction City Construction Investment Co., Ltd.	2,000,000	–	–	2,000,000	–
China Railway Construction Eastern China Investment & Construction Co., Ltd.	2,000,000	–	–	2,000,000	–
CRCC International Investment Co., Ltd.	3,000,000	–	–	3,000,000	–
China Railway Construction Development Group Co., Ltd.	1,498,691	–	–	1,498,691	–
CRCC North Investment & Construction Co., Ltd.	200,000	–	–	200,000	–
CRCC Yellow River Investment & Construction Co., Ltd.	1,110,000	–	–	1,110,000	–
China Railway First Survey and Design Institute Group Co., Ltd.	693,730	–	–	693,730	–
China Railway Construction Capital Holdings Group Co., Ltd.	3,549,870	–	–	3,549,870	–
China Railway Construction Treasury Management (Hong Kong) Co., Ltd	4,184	–	–	4,184	–
CRCC South China Investment Co., Ltd.	435,442	–	–	435,442	–
China Railway Construction Southwest Investment Co., Ltd.	100,000	–	–	100,000	–
CRCC Southern Construction and Investment Co., Ltd.	1,000,000	–	–	1,000,000	–
China Railway Construction Xiong'an Investment Development Co., Ltd.	1,000,000	–	–	1,000,000	–
China Railway Construction Transportation Operation Group Co., Ltd.	1,000,000	–	–	1,000,000	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2025

XV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(1) Subsidiaries (Continued)

RMB'000

	Carrying amount at 31 December 2024	Changes for the period Transfer to/ Increase in investment	Decrease in investment	Carrying Amount at 30 June 2025	Impairment allowance
China Railway Construction Technology Innovation (Shenzhen) Co., Ltd.	–	200,000	–	200,000	–
Total	105,332,868	282,729	4,129	105,611,468	–

4. Revenue and cost of sales

(1) Revenue and Costs are presented as follows:

RMB'000

	For the six months end 30 June 2025		For the six months end 30 June 2024	
	Revenue	Cost	Revenue	Cost
Principal operations	3,268,342	3,189,778	5,232,450	5,174,237
Other operations	70	–	23,522	–
Total	3,268,412	3,189,778	5,255,972	5,174,237

5. Investment income

RMB'000

	For the six months end 30 June 2025	For the six months end 30 June 2024
Investment income received from long-term equity investments under cost method	7,805,388	10,221,586
Investment income from long-term equity investments accounted for under the equity method	9,563	2,970
Total	7,814,951	10,224,556

**REGISTERED OFFICE AND PRINCIPAL PLACE
OF BUSINESS OF THE ISSUER AND THE GUARANTOR**

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4008A, 40/F, China Resources Building
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Principal Place of Business of the Issuer
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Wanchai, Hong Kong

Registered Office of the Guarantor
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PRC

Principal Place of Business of the Guarantor
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Haidian District
Beijing 100855
PRC

TRUSTEE

**CMU LODGING AND PAYING AGENT,
REGISTRAR AND TRANSFER AGENT**

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Corporation Limited**
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**China Construction Bank (Asia)
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