

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



中國中鐵股份有限公司

**CHINA RAILWAY GROUP LIMITED**

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

**(Stock Code: 390)**

## **RESULTS ANNOUNCEMENT FOR THE YEAR OF 2023**

The board of directors (the “**Board**” or “**Board of Directors**”) of China Railway Group Limited (the “**Company**” or “**China Railway**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2023.

### **1 CORPORATE INFORMATION**

#### **Basic Information**

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

#### **Contact Details**

Name:	He Wen (Board secretary)	Duan Yinhua (Securities affairs representative)
Address:	Block A, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, People's Republic of China	
Postal Code:	100039	
Telephone:	86-10-5187 8413	
Facsimile:	86-10-5187 8417	
E-mail:	ir@crec.cn	dyh@crec.cn

## 2 SUMMARY OF ACCOUNTING DATA

### 2.1 Key Accounting Data Prepared under International Financial Reporting Standard (“IFRS”)

#### 2.1.1 Summary of consolidated income statement

	For the year ended 31 December					Change 2023 vs 2022 (%)
	2023	2022	2021	2020	2019	
	<i>RMB million</i>					
<b>Revenue</b>						
Infrastructure Construction	1,133,077	1,019,730	953,038	876,310	762,084	11.1
Survey, Design and Consulting Services	19,269	19,795	18,607	17,321	17,031	-2.7
Engineering Equipment and Component Manufacturing	35,978	38,863	33,176	29,793	24,322	-7.4
Property Development	51,563	54,082	51,300	49,763	43,662	-4.7
Other Businesses	109,785	111,538	101,942	74,183	70,402	-1.6
Inter-segment Eliminations and Adjustments	(86,260)	(89,659)	(84,791)	(72,638)	(66,658)	
<b>Total</b>	<b>1,263,412</b>	<b>1,154,349</b>	<b>1,073,272</b>	<b>974,732</b>	<b>850,843</b>	<b>9.4</b>
<b>Gross Profit</b>	<b>122,686</b>	108,890	103,386	90,189	79,864	12.7
<b>Profit before Income Tax</b>	<b>47,581</b>	44,692	39,636	35,612	33,187	6.5
<b>Profit for the Year</b>	<b>37,637</b>	34,967	30,470	27,250	25,379	7.6
<b>Profit for the Year attributable to Owners of the Company</b>	<b>33,483</b>	31,273	27,618	25,188	23,678	7.1
<b>Earnings per share (RMB)</b>						
– Basic	1.294	1.198	1.037	0.963	0.950	8.0
– Diluted	1.292	1.198	1.037	0.963	0.950	7.8

## 2.1.2 Summary of consolidated balance sheet

	As at 31 December					Change 2023 vs 2022 (%)
	2023	2022	2021	2020	2019	
	<i>RMB million</i>					
<b>Assets</b>						
Current Assets	1,005,695	898,566	801,012	742,107	709,770	11.9
Non-current Assets	823,595	714,569	560,672	457,870	346,271	15.3
<b>Total Assets</b>	<b>1,829,290</b>	<b>1,613,135</b>	<b>1,361,684</b>	<b>1,199,977</b>	<b>1,056,041</b>	13.4
<b>Liabilities</b>						
Current Liabilities	1,010,641	873,375	787,860	705,145	676,034	15.7
Non-current Liabilities	358,895	316,891	215,666	181,786	134,679	13.3
<b>Total Liabilities</b>	<b>1,369,536</b>	<b>1,190,266</b>	<b>1,003,526</b>	<b>886,931</b>	<b>810,713</b>	15.1
<b>Total Equity</b>	<b>459,754</b>	<b>422,869</b>	<b>358,158</b>	<b>313,046</b>	<b>245,328</b>	8.7
<b>Total Equity and Liabilities</b>	<b>1,829,290</b>	<b>1,613,135</b>	<b>1,361,684</b>	<b>1,199,977</b>	<b>1,056,041</b>	13.4

## 2.2 Differences between Chinese Accounting Standard (“CAS”) and IFRS

	Net assets as at 31 December 2023 <i>RMB million</i>	Profit for the year ended 31 December 2023 <i>RMB million</i>
Amount attributable to the shareholders of the Company stated in the financial statements prepared in accordance with CAS	332,534	33,483
Adjustments as required by IFRS:		
– Recognition of loss on shares conversion scheme of a subsidiary	(148)	–
Amount attributable to the owners of the Company stated in the financial statements prepared in accordance with IFRS	<u>332,386</u>	<u>33,483</u>

### **3 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS**

#### **3.1 Changes in Shares Capital**

##### ***3.1.1 Changes in shares***

During the reporting period, there have been no changes in respect of the total number of shares and the share capital structure of the Company.

##### ***3.1.2 Explanation on changes in shares***

Not applicable

##### ***3.1.3 Impacts of changes in share on the financial indicators of earnings per share, net assets per share for the most recent year and the most recent period***

Not applicable

##### ***3.1.4 Other contents that the Company deems necessary or required by the securities regulatory authority to be disclosed***

Not applicable

#### **3.2 Changes in Shares with Selling Restrictions**

Not applicable

#### **3.3 Issuance and Listing of Securities**

##### ***3.3.1 Issuance of securities as at the reporting period***

Not applicable

##### ***3.3.2 Changes in respect of the total number of shares and the shareholder structure of the Company and changes in respect of the asset and liability structure of the Company***

Not applicable

##### ***3.3.3 Existing shares held by internal employee***

Not applicable

### 3.4 Information of Shareholders and Ultimate Controller

#### 3.4.1 Number of shareholders

Total number of shareholders of ordinary shares as at the end of the reporting period	504,093
Total number of shareholders of ordinary shares at the end of the month preceding the date of the annual report	491,216
Total number of shareholders of preference shares with reinstated voting rights as at the end of the reporting period	0
Total number of shareholders of preference shares with reinstated voting rights at the end of the month preceding the date of annual report	0

#### 3.4.2 Shareholdings of the top ten shareholders and top ten shareholders of tradable shares (or shareholders without selling restrictions) as at the end of the reporting period

Unit: Shares

##### Shareholdings of the top ten shareholders

No.	Name of shareholder	Increase/ decrease during the reporting period	Total number of shares held at the end of the period	Shareholding percentage (%)	Number of shares with selling restriction	Number of pledged or frozen shares Conditions of shares	Number	Nature of shareholder
1	China Railway Engineering Group Company Limited (“CREC”)	0	11,623,119,890	46.96	0	Nil	0	State-owned legal person
2	HKSCC Nominees Limited	611,795	4,010,204,717	16.20	0	Nil	0	Others
3	China Securities Finance Corporation Limited	0	619,264,325	2.50	0	Nil	0	State-owned legal person
4	Hong Kong Securities Clearing Company Limited	-5,727,301	542,302,470	2.19	0	Nil	0	Others
5	China Reform Development Investment Management Co., Ltd.	69,697,357	456,747,488	1.85	0	Nil	0	State-owned legal person
6	Central Huijin Asset Management Ltd.	0	230,435,700	0.93	0	Nil	0	State-owned legal person
7	China Great Wall Asset Management Co., Ltd	-38,241,200	138,562,835	0.56	0	Nil	0	State-owned legal person
8	Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others

No.	Name of shareholder	Increase/ decrease during the reporting period	Total number of shares held at the end of the period	Shareholding percentage (%)	Number of shares with selling restriction	Number of pledged or frozen shares Conditions of shares	Number	Nature of shareholder
8	Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Central European Fund – Agricultural Bank of China – Central European China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Yinhua Fund – Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others
8	Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Others

Statement on the related relationship and concerted actions between the shareholders above

CREC, the largest shareholder, does not have related relationship or acting-in-concert relationship with the other above shareholders. The Company is not aware of any related relationship or acting-in-concert relationship among the other above shareholders.

## Shareholdings of the top ten shareholders without selling restrictions

No.	Name of shareholder	Number of shares held without selling restrictions	Type and number of shares	
			Type	Number
1	CREC	11,458,725,890	RMB-denominated ordinary shares	11,458,725,890
		164,394,000	Overseas listed foreign shares	164,394,000
2	HKSCC Nominees Limited	4,010,204,717	Overseas listed foreign shares	4,010,204,717
3	China Securities Finance Corporation Limited	619,264,325	RMB-denominated ordinary shares	619,264,325
4	Hong Kong Securities Clearing Company Limited	542,302,470	RMB-denominated ordinary shares	542,302,470
5	China Reform Development Investment Management Co., Ltd.	456,747,488	RMB-denominated ordinary shares	456,747,488
6	Central Huijin Asset Management Ltd.	230,435,700	RMB-denominated ordinary shares	230,435,700
7	China Great Wall Asset Management Co., Ltd	138,562,835	RMB-denominated ordinary shares	138,562,835
8	Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Central European Fund – Agricultural Bank of China – Central European China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600

No.	Name of shareholder	Number of shares held without selling restrictions	Type and number of shares	
			Type	Number
8	Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Yinhua Fund – Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
8	Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600

Statement on the special account for repurchase of the top ten shareholders Nil

Statement on entrustment of voting right, voting right by proxy and abstaining from voting of the shareholders above Nil

Statement on the related relationship and concerted actions between the shareholders above CREC, the largest shareholder, does not have related relationship or acting-in-concert relationship with the other above shareholders. The Company is not aware of any related relationship or acting-in-concert relationship among the other above shareholders.

Statement on shareholders of preference shares with reinstated voting rights and the number of shares held Nil

*Note 1: H shares held by HKSCC Nominees Limited are held on behalf of its various clients, and the number of H shares held by CREC is already deducted.*

*Note 2: A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of its various clients.*

*Note 3: The data shown in the table is based on the register of members of the Company as of 31 December 2023.*

**3.4.3 Shareholdings of top ten shareholders of shares with selling restrictions and terms of selling restrictions**

Not applicable

**3.4.4 Strategic investors or general legal persons becoming the top ten by placing new shares**

Not applicable

**3.5 Substantial Shareholders and Holders of Interests or Short Positions Required to be Disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance**

As at 31 December 2023, the Company had been informed by the following persons that they had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be maintained under Section 336 of the SFO:

***Holder of A shares***

Name of substantial shareholders	Capacity	Number of A shares held (Shares)	Nature of interest	Approximate percentage of issued A shares (%)	Approximate percentage of total issued shares (%)
CREC	Beneficial owner	11,458,725,890	Long position	55.77	46.29

***Holder of H shares***

Name of substantial shareholders	Capacity	Number of H shares held (Shares)	Nature of interest	Approximate percentage of issued H shares (%)	Approximate percentage of total issued shares (%)
BlackRock, Inc.	Interest of controlled corporations	262,216,751	Long position	6.23	1.06
		3,680,000	Short position	0.09	0.01
JPMorgan Chase & Co.	Interest of controlled corporations	198,764,535	Long position	4.72	0.80
		58,631,138	Short position	1.39	0.24
		63,944,732	Lending Pool	1.52	0.26
Deutsche Bank Aktiengesellschaft	(Note 1)	229,803,271	Long position	5.46	0.93
		123,424,962	Short position	2.93	0.50
		10,406,000	Lending Pool	0.25	0.04
Lehman Brothers Holdings Inc.	Interest of controlled corporations	210,186,560	Long position	5.00	0.85
		94,560,550	Short position	2.25	0.38

Note:

1 According to the Corporate Substantial Shareholder Notice filed by Deutsche Bank Aktiengesellschaft with the Hong Kong Stock Exchange dated 13 January 2014, the interests held by Deutsche Bank Aktiengesellschaft were held in the following capacities:

<b>Capacity</b>	<b>Number of H shares (Long position)</b>	<b>Number of H shares (Short position)</b>
Beneficial owner	139,171,310	123,424,962
Person having a security interest in shares	17,515,361	–
Interest of controlled corporations	54,042,600	–
Custodian corporation	10,406,000	–
Others	8,668,000	–

2 The interests or short positions include the underlying shares as follows:

<i>Name of substantial shareholders</i>	<i>Long Position</i>				<i>Short Position</i>			
	<i>Listed equity derivative payment in kind</i>	<i>Listed equity derivatives settled in cash</i>	<i>Non-listed equity derivatives payment in kind</i>	<i>Non-listed equity derivatives settled in cash</i>	<i>Listed equity derivatives payment in kind</i>	<i>Listed equity derivatives settled in cash</i>	<i>Non-listed equity derivatives payment in kind</i>	<i>Non-listed equity derivatives settled in cash</i>
	<i>BlackRock, Inc.</i>	–	–	–	5,885,000	–	–	–
<i>Deutsche Bank Aktiengesellschaft</i>	–	–	–	17,624,000	–	–	–	10,166,000
<i>Lehman Brothers Holdings Inc.</i>	–	–	10,000,000	–	–	–	60,000	–

Apart from the foregoing, as at 31 December 2023, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept under section 336 of the SFO as having an interest of or any short position in the issued share capital of the Company that would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

### 3.6 Information on Controlling Shareholder and Ultimate Controller

#### 3.6.1 Details of controlling shareholder

(1) *Legal person*

Name	China Railway Engineering Group Company Limited
Person-in-charge or Legal representative	CHEN Yun
Date of establishment	7 March 1990
Principal business	Construction works, related engineering technological research, survey, design, services, manufacturing of specialized equipment and real estate development and operation.
Details of controlling interests and investments in other domestic and overseas-listed companies during the reporting period	Nil
Other information	Nil

(2) *Natural person*

Not applicable

(3) *Special explanation that the Company does not have any controlling shareholder*

Not applicable

(4) *Details of changes of the controlling shareholder during the reporting period*

Not applicable

**3.6.2 The diagram of the interests and controlling relationships between the company and the ultimate controller**



**3.6.3 Details of ultimate controller**

*(1) Legal person*

Ultimate controller of the Company – State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”), which is the ministry level institution directly under the State Council, and was set up in accordance with the institutional reform plan of the State Council and the Notice of the State Council on Establishment of Institutions passed at the First Session of the 10th National People’s Congress. The SASAC is authorised by the State Council to perform its duties as an investor on behalf of the State. The scope of supervision of the SASAC extends to the state-owned assets of central government owned enterprises (excluding financial enterprises). Currently, the State-owned Assets Supervision and Administration Commission holds 90% equity interests in CREC and National Social Security Fund holds 10% equity interests in CREC.

*(2) Natural person*

Not applicable

*(3) Special explanation that the Company does not have any controlling shareholder*

Not applicable

*(4) Details of changes of the controlling shareholder during the reporting period*

Not applicable

**3.6.4 The diagram of the interests and controlling relationships between the company and the ultimate controller**



**3.6.5 Ultimate controller control the company through trust or other asset management methods**

Not applicable

**3.7 The Company's Controlling Shareholder or the Largest Shareholder and the Party Acting in Concert thereof holding Cumulative Pledged Shares accounting for over 80% of the Company's Shares**

Not applicable

**3.8 Other Legal Person Shareholders with Shareholding of over 10%**

As of the end of the reporting period, except for HKSCC Nominees Limited, the Company has no other legal person shareholders with shareholding over 10%.

**3.9 Information on the Restrictions on Reduction of Shareholdings**

Not applicable

**3.10 Details of Repurchase of Shares during the Reporting Period**

Not applicable

## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 Review and Outlook

The year 2023 is the inaugural year to fully implement the spirit of the 20th National Congress of the Communist Party of China. It is a crucial year for China Railway to build upon past achievements and forge ahead towards a brighter future. Looking back on the past year, we have deeply implemented the important instructions of General Secretary Xi Jinping regarding the new missions and roles of central enterprises in the new era and on the new journey, and effectively played our part in scientific and technological innovation, industrial control, and safety support for building a modern industrial system and a new development layout. We have made solid progress towards building a “high-quality China Railway”.

Over the past year, we took proactive actions, with an eye on the country’s most fundamental interests, immersing ourselves deeply in major regional strategies such as the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Yangtze River Economic Belt, and the revitalization of Northeast China. We also contributed to the high-quality Belt and Road Initiative. In the face of challenges including earthquake and flood relief, rural revitalization, and support for Xinjiang and Xizang, we fearlessly tackled major challenges, shouldered heavy responsibilities, and fully demonstrated China Railway’s commitment to its mission.

Over the past year, we prioritized the quality of development, with a focus on enhancing efficiency and creating value. We vigorously pursued “profitable revenue and cash-flow-generating profits” and successfully achieved the expected targets for major economic indicators such as the operating income, net profit, return on net assets and operating cash ratio. China Railway’s economic operation has shown steady progress and improvement, with a solid foundation for development and a promising outlook.

Over the past year, we closely followed the pace of state-owned enterprise reform in the new era, focusing on improving our core competitiveness and strengthening our core functions. We launched comprehensive actions to deepen and elevate reform, coordinated efforts to advance reforms across various sectors, implemented strategies for innovation-driven development, and strengthened our commitment to self-reliance and self-improvement in science and technology. We actively planned for strategic emerging industries and future industry layouts, improved our scientific and technological innovation system, accelerated the gathering of innovation elements, and promoted the transformation of scientific and technological achievements. We have achieved new breakthroughs through reform and innovation.

In the past year, we notably attended the 2023 International Forum on China Brand Development and the Exposition on China Brand 2023. China Railway ranked among the “Top 30 Chinese Central State-owned Enterprises by Brand Building” for its brand value for the first time. We were awarded the Best Corporate Culture Practice among Chinese Companies, have been credited in the Fortune Global 500 for 18 consecutive years, ranked second among ENR’s Top 250 International Contractors, were classified by SASAC as an “A-level” enterprise for the 10th consecutive year, received an A-level rating in the assessment for Party building responsibility system by the SASAC for the fifth time, and have been assessed as an A-type (outstanding) listed company by the Shanghai Stock Exchange for the 15th consecutive year. Our reputation and level of excellence have placed us at the forefront among central enterprises in the construction sector.

Unyielding dreams weather any storm; while adversity strengthens the resolve of a resilient ship, guiding it through treacherous currents. The year 2024 marks the 75th anniversary of the founding of the People’s Republic of China and is a crucial year for achieving the goals and tasks of the “14th Five-Year Plan”. We will unite more closely around the Party Central Committee with Comrade Xi Jinping at its core, firmly and resolutely uphold the principles of the “Two Establishes” and the “Two Safeguards”, and vigorously carry forward the “pioneering spirit”. Boundless opportunities await those who continue to forge ahead beyond the high tide. We will spare no effort in accomplishing the annual targets and tasks. By pursuing high-quality development, we will serve as a driving force for the stable growth of the Chinese economy and make new and greater contributions to building a modern socialist country in all respects.

## **4.2 Business Overview**

The Group is one of the largest multi-functional integrated construction groups in the world, which enables us to offer a full range of construction and industrial products and related services to our customers. The Group holds an industrial leading position in fields such as engineering construction, design consulting, and equipment manufacturing. The Group also diversifies its business and expands its value-added services by venturing into other businesses such as featured real estate, financial and merchandise trading, resource utilization, asset operation, and construction technology innovation and application. After years of practice and development, the Group’s businesses have established a close upstream – downstream relationship among themselves, and have gradually formed a vertically integrated construction industry chain with outstanding principal business supplemented by diversified relevant business horizontally.

## **4.2.1 Industry development overview**

### *(1) Engineering construction*

#### *(i) Domestic*

China's economy witnessed momentum of recovery with solid progress in high-quality development in 2023. Infrastructure construction continued to play an effective role in expanding effective investment and mobilizing private investment enthusiasm. During the year, China accelerated the construction of a modern infrastructure system, focusing on key areas and weak links of the national economy. Infrastructure investment was moderately advanced, with major infrastructure projects in transportation, energy, and water conservancy being strengthened. The systematic layout of new infrastructure, including a modern comprehensive three-dimensional transportation system, a new energy system, and a national water network, continued to improve, providing strong support for promoting high-quality economic development. According to the data released by the National Bureau of Statistics, the fixed assets investments in China in 2023 (excluding rural households) amounted to RMB50,303.6 billion, representing a year-on-year increase of 3.0%. Among them, infrastructure investment (excluding production and supply of electricity, heating, gas and water) increased by 5.9% year on year; fixed asset investment in transportation exceeded RMB3.9 trillion, representing a year-on-year increase of 2.6%; the added value of the construction industry was RMB8.6 trillion, representing a year-on-year increase of 7.1%, and the added value of the construction industry accounted for 6.8% of GDP, and its position as a pillar industry of the national economy continued to be stable. In terms of railways, fixed asset investments amounted to RMB764.5 billion, an increase of 7.5% year on year. New lines of 3,637 kilometers were put into operation, including 2,776 kilometers of high-speed railways. The length of railways in operation nationwide reached over 159,000 kilometers (among which, the length of high-speed railways reached 45,000 kilometers) as of the end of 2023. In terms of highways, 7,000 kilometers of new and expanded expressways were built; 1,000 kilometers of waterways were added and improved; and the number of transport airports reached 259. In addition, a report released by the China Association of Metros shows that in 2023, a total of 27 Chinese cities added 54 new urban rail lines, new sections, or extensions, with a cumulative increase of 884.55 kilometers. As of the end of the year, there were 59 cities operating rail transit in China, with a cumulative operating mileage of 11,232.65 kilometers. With the implementation of a package of initiatives, such as ultra-long special treasury bonds specifically used for the implementation of major national strategies and the construction of safety capabilities in key areas, the coordinated promotion of new industrialization and urbanization, and the continuous upgrading of modern metropolitan areas, infrastructure construction will continue to provide important support for national economic growth.

(ii) International

In 2023, the global economic recovery remained weak, geopolitical conflicts intensified, and protectionism and unilateralism were on the rise, leading to an increasingly unfavorable external environment for China's development. During the year, China successfully hosted events such as the China-Central Asia Summit and the third "Belt and Road" Forum for International Cooperation, making significant contributions to promoting world peace and development. As a priority area of the Belt and Road Initiative, infrastructure interconnectivity plays a crucial role in maintaining the stability of global supply chains and facilitating economic and trade exchanges among participating countries. According to the statistics issued by the Ministry of Commerce, in 2023, China's overseas contracted engineering projects achieved a turnover of RMB1,133.88 billion, an increase of 8.8% (equivalent to USD160.91 billion, an increase of 3.8%); newly signed contracts amounted to RMB1,863.92 billion, an increase of 9.5% (equivalent to USD264.51 billion, an increase of 4.5%). Chinese enterprises achieved a turnover of RMB930.52 billion in overseas contracted engineering projects in countries along the "Belt and Road", an increase of 9.8% (equivalent to USD132.05 billion, an increase of 4.8%); newly signed contracts amounted to RMB1,600.73 billion, an increase of 10.7% (equivalent to USD227.16 billion, an increase of 5.7%). According to the Global Infrastructure Outlook report released by the G20's Global Infrastructure Hub (GIH), global infrastructure investment needs will reach USD94 trillion by 2040, with an average annual growth of approximately USD3.7 trillion. Through joint efforts among participating countries under the Belt and Road framework, a comprehensive, multi-level, and composite infrastructure network with railways, highways, shipping, aviation, pipelines, and space information networks as its core will be formed at an accelerated pace. This will significantly reduce transaction costs for goods, capital, information, and technology between regions, providing new opportunities and space for the steady development and quality improvement of China's overseas contracted engineering projects.

(2) *Design and consulting*

Being a technology – and intelligence-intensive and production-based service industry, design consulting stays in the front of the engineering construction projects of various industries, including construction, transportation, electricity and water conservancy, serves the whole lifecycle of the construction projects, and offers technical and management services throughout the decision-making and implementation process of the projects. It plays an underlying role in improving the investment benefits and social benefits of construction projects, as a key link in project construction. With the issuance of the Guiding Opinions on Informatization in the 14th Five-Year Plan for the Engineering Survey and Design Industry, the 14th Five-Year Plan for the Development of the Engineering Survey and Design Industry, the Overall Layout Plan for the Construction of Digital China, and the Opinions on Comprehensively Promoting the Construction of a Beautiful China, the direction of the industry’s development is further clarified. As China’s energy structure continues its shift towards green and low-carbon sources, market demand for ecological and environmental protection, water conservancy, wind power, and energy storage is rapidly expanding. Renewable energy development is further integrating with ecological civilization construction, new-type urbanization, rural revitalization, new infrastructure, and new technologies. All of these factors will continuously bring new opportunities for the growth of this sector. In particular, the extensive integration and deep penetration of digital technology with the construction industry will further accelerate the green, industrial, and digital transformation of the survey, design and consulting industry. This will enhance technological management innovation and comprehensive service capabilities, while further improving standardization and integration levels. In the future, tasks such as “dual carbon” goals, regional coordinated development strategies, new urban infrastructure construction, urban renewal, complete residential community construction, and rural construction initiatives will continue to support the steady development of the survey, design, and consulting industry, further highlighting its leading role in engineering construction.

### *(3) Equipment manufacturing*

In 2023, China's efforts to build a modern industrial system accelerated, with the manufacturing industry rapidly transforming towards high-end, smart, green, and service-oriented directions, and the resilience and security level of industrial and supply chains continuously improved. Data from the National Bureau of Statistics shows that in 2023, the value added of industrial enterprises above designated business scale recorded a year-on-year increase of 4.6%, in which the added value of equipment manufacturing industry above designated business scale increased by 6.8% year on year; manufacturing investment grew by 6.5% year on year, 3.5 percentage points higher than China's fixed asset investments. The Guiding Opinions on Accelerating the Transformation and Upgrading of Traditional Manufacturing Industry, jointly issued by eight departments like the Ministry of Industry and Information Technology, and the National Development and Reform Commission, pointed out that by 2027, the level of high-end, smart, green, and integrated development of traditional manufacturing industry will be significantly improved, effectively supporting the basic stability of the proportion of manufacturing industry and further consolidating and enhancing its position and competitiveness in the global industrial division of labor. The penetration rate of digital R&D and design tools and the numerical control rate of key processes in industrial enterprises will exceed 90% and 70% respectively, and industrial energy consumption intensity and carbon dioxide emission intensity will continue to decline. In synergy with previously issued and implemented documents such as the Five-Year Action Plan for Accelerating the Construction of a Strong Transportation Country (2023-2027), the Outline of the Construction of a Strong Quality Nation, "Action Plan for Improving the Level of Environmental Infrastructure Construction (2023-2025)", and "National Carbon Peaking Pilot Construction Plan", it creates favorable conditions for China's equipment manufacturing industry to fully shift towards high-quality development and innovation-driven growth. In the future, under the background of vigorously promoting the construction of a modern industrial system and accelerating the development of new productive forces, the high-end, smart, green and high-quality development of the manufacturing industry driven by scientific and technological innovation will continue to inject new vitality into economic development.

(4) *Property development*

In 2023, China's real estate regulation direction shifted from "preventing systemic risks caused by the real estate industry, supporting essential and improved housing demand, and promoting the smooth transition of the real estate industry to a new development model" to "adapting to the new situation of significant changes in the supply and demand relationship in China's property market and adjusting and optimizing real estate policies in a timely manner." The meeting of the CPC Central Committee Politburo and the Central Financial Work Conference have all made deployments to support reasonable financing in the real estate market, increase the construction and supply of government-subsidized housing, actively promote the transformation of urban villages and the construction of "dual-use" public infrastructure that can accommodate emergency needs, and revitalize and renovate various types of idle properties. Accelerating the construction of the "three major projects" is increasingly becoming an important lever for building a new development model for real estate. According to the data released by the National Bureau of Statistics, in 2023, the property development investments nationwide amounted to RMB11,091.3 billion, representing a year-on-year decline of 9.6% (including investments in residential housing amounting to RMB8,382.0 billion, representing a year-on-year decline of 9.3%). The housing area that has commenced construction amounted to 953.76 million square meters, representing a year-on-year decrease of 20.4% (including the residential housing area that has commenced construction reaching 692.86 million square meters, representing a year-on-year decrease of 20.9%). The housing completion area amounted to 998.31 million square meters, representing a year-on-year increase of 17.0% (including the residential housing completion area amounting to 724.33 million square meters, representing a year-on-year increase of 17.2%). As of the end of 2023, the area of commodity housing available for sale was 672.95 million square meters, representing a year-on-year increase of 19.0% (including area of residential housing available for sale with a year-on-year increase of 22.2%). Construction or acquisition of 2.13 million units of government-subsidized rental housing started, exceeding the annual target. According to the Ministry of Housing and Urban-Rural Development, renovation of a total of 53,700 old urban residential areas started nationwide in 2023, with a total investment of nearly RMB240 billion. In the future, with the accelerated implementation of supporting measures and financing coordination mechanisms for the "three major projects", it will play an important role in stabilizing expectations, confidence, and investment, further promoting the stable and healthy development of the real estate market.

(5) *Asset operation*

In 2023, a total of RMB3.7 trillion new special bonds were issued for project construction across China, supporting over 35,000 projects. These proceeds were primarily used for key areas such as municipal construction and industrial park infrastructure, social undertakings, transportation infrastructure, government-subsidized housing projects, and agriculture, forestry, and water conservancy. Additionally, RMB1 trillion treasury bonds were issued in the fourth quarter, supporting over 15,000 projects. Furthermore, according to the Guiding Opinions on Regulating the Implementation of the New Public-Private Partnership Mechanism that has been officially implemented, the new mechanism is characterized by a new franchise model which focuses on user payment and strict control of local hidden debt, and encourages qualified state-owned enterprises to participate in the revitalization of stock assets through the franchise model in a standardized manner. This will facilitate the reasonable growth of Public-Private Partnership projects, ensure the safe implementation of the Public-Private Partnership model, further mobilize the enthusiasm of social capital, and create favorable external conditions for the construction and operation of Public-Private Partnership projects. Also, a series of policies and measures were released, including the Opinions on Doing a Good Job in Key Tasks for Comprehensively Promoting Rural Revitalization in 2023, Guiding Opinions on Actively and Steadily Promoting the Renovation of Urban Villages in Hyper-cities and Megacities, Notice on Properly, Efficiently and Effectively Applying for and Recommending Projects of Infrastructure Real Estate Investment Trusts (REITs), and Notice on Accelerating the Pilot Participation of Water Conservancy Projects in Infrastructure Real Estate Investment Trusts (REITs). These policies and measures will lay a good foundation to further facilitate the revitalization of stock assets, form a virtuous circle between stock assets and new investments, and ensure high-quality and efficient public services.

(6) *Resource utilization*

In 2023, against the backdrop of a slowdown in global economic recovery and easing inflationary pressure, non-ferrous metal prices generally showed a volatile and weak trend. In terms of product price trends, for copper products, the growth rate of global copper supply remained stable, while demand elasticity slowed down, and the supply and demand shifted from a tight balance to a slight surplus. LME copper prices showed a volatile and weak trend, falling from USD9,550/ton at the beginning of the year to a range of USD7,856-8,600/ton, while SHFE copper prices remained in a relatively narrow range of RMB62,690-71,500/ton. For cobalt products, the continuous increase in upstream capacity and lower-than-expected downstream demand led to a significant slowdown in downstream consumption growth compared to the supply side, causing cobalt prices to hit a low point at one point; data from the London Metal Exchange (LME) showed that cobalt futures prices fell by 44% during the year. For molybdenum products, the global molybdenum market was in a slight surplus in 2023, with prices rising significantly in the first quarter. In February 2023, molybdenum prices reached a nearly 17-year high before falling back in a volatile manner. According to Antaika data, the closing price of molybdenum concentrate (40%-50%) at the end of the year was RMB3,185/ton, and the average price for the year was RMB3,885/ton. Looking ahead, the differentiation in demand for mineral products is becoming increasingly evident. Firstly, with global warming and the increase in extreme weather events, the substitution of clean energy for fossil fuels is irreversible. Photovoltaics, wind power, power batteries, new energy vehicles, and lightweight transportation vehicles will continue to be growth points for expanding non-ferrous metal consumption. Secondly, affected by the global economic downturn, the growth in consumption of bulk mineral products has slowed down significantly. The demand for bulk minerals such as iron and copper has slowed down, but with the expected six-month shutdown of copper mines in Panama, the copper supply is expected to shift from surplus to shortage. Thirdly, strategic minerals such as lithium, cobalt and nickel are strongly driven by industries such as electric vehicles and energy storage, and the rapid development of emerging fields will provide certain support for the stability of non-ferrous metal prices.

(7) *Financial and merchandise trading*

In 2023, the Central Financial Work Conference emphasized the need to “accelerate the building of a financial powerhouse”, elevating financial work to a higher strategic level. During the year, the People’s Bank of China implemented a prudent monetary policy in a precise and forceful manner, strengthening the counter-cycle and cross-cycle adjustment of monetary policy tools to create a favorable monetary and financial environment for the operation of financial markets, including the capital market. The foreign exchange market and the RMB exchange rate remained basically stable. During the year, the People’s Bank of China lowered the deposit reserve ratio twice to maintain reasonable and ample liquidity and promote moderate and steady growth in the total amount of monetary credit; it also lowered policy interest rates twice, driving down market interest rates such as the Loan Prime Rate (LPR), and guiding commercial banks to reduce existing first-home mortgage rates in an orderly manner. China established the National Financial Regulatory Administration on the basis of the China Banking and Insurance Regulatory Commission, and new regulations on differentiated regulatory rating, and hierarchical and classified supervision were implemented, marking the all-round strengthening of financial regulation. In the trust industry, the Circular on Regulating the Classification of Trust Business of Trust Companies was officially issued, redefining the business boundary of trust companies, and prompting trust organizations to get rid of the dependence on traditional paths and return to the post of trustees. In the finance company industry, the National Financial Regulatory Administration further revised the Measures for the Supervision and Rating of Financial Companies of Enterprise Groups and the Capital Rules for Commercial Banks, which establishes a differentiated capital regulatory system, and makes significant adjustments to the rating elements and their weighting, with more detailed regulatory rating classification, and stricter regulatory measures, in order to guide finance companies to adhere to their main responsibilities and business, operate prudently and develop in a standardized manner, and continuously improve their capabilities to serve the real economy.

With the increasing maturity of advanced technologies such as big data, cloud computing, artificial intelligence, Internet of Things, blockchain, and 5G, a new round of technological revolution led by digitization, networking, and intelligence is accelerating its penetration into all aspects of the supply chain. An increasing number of leading commodity traders are leveraging their massive business data, vast customer resources, rich application scenarios, and profound operational experience to take the lead in effectively integrating digital and intelligent technologies with business operations. This further integrates the upstream and downstream industrial chains, continuously enhances the comprehensive competitiveness of supply chain operations, and gradually transforms them towards supply chain management to better meet the needs of existing and new customers and continuously improve profitability.

(8) *Emerging business*

In 2023, focusing on strategic emerging industries such as next-generation mobile communications, artificial intelligence, and new materials, as well as future industries like future information technology, SASAC launched the “Revitalization Action for Strategic Emerging Industries” and the “Debut Action for Future Industries” within centrally-administered state-owned enterprises (SOEs). These initiatives aim to plan and promote a number of major projects, establish clusters of strategic emerging industries, and achieve landmark results in key areas such as biotechnologies, new materials, and new energy vehicles. The goal is to accelerate progress in increasing the proportion of revenue and added value generated by strategic emerging industries and achieve a strategic transformation in the layout and structure of SOEs. Additionally, the Ministry of Water Resources accelerated the construction tasks identified in the Outline of National Water Network Construction Plan, completing water conservancy construction investments of RMB1,199.6 billion, a year-on-year increase of 10.1%. It implemented 41,014 water conservancy projects to address four major water issues. The Ministry of Ecology and Environment coordinated the promotion of high-quality economic development and high-level ecological and environmental protection, focusing on major regional strategies, promoting the construction of pilot zones for a beautiful China, and vigorously promoting green, low-carbon, and high-quality development. The Ministry of Transport accelerated the construction of a modern transport infrastructure system and vigorously promoted the green and intelligent development of transportation. The National Energy Administration clearly stated that according to the needs of new energy development and power system operation, new energy system will be planned and built scientifically, rationally and orderly. According to data from the National Energy Administration, the total installed capacity of renewable energy power generation in China reached 1.516 billion kilowatts, accounting for 51.9% of the China’s total installed power generation capacity. Among them, the installed capacity includes 421 million kilowatts of hydroelectricity, a year-on-year increase of 1.8%; 441 million kilowatts of wind power, a year-on-year increase of 20.7%; 60 million kilowatts of nuclear power, a year-on-year increase of 2.4%. In the future, guided by the new development concept, the construction of new infrastructure that is low-carbon, efficient, digitally integrated, systematic and complete, and safe and reliable will further empower China’s high-quality economic and social development.

#### **4.2.2 Business development overview**

In 2023, the Group recorded newly signed contracts of RMB3,100.6 billion, a year-on-year increase of 2.2%; revenue of RMB1,263.412 billion, a year-on-year increase of 9.4%; net profit of RMB37.637 billion, a year-on-year increase of 7.6%; net profit attributable to shareholders of the listed company of RMB33.483 billion, a year-on-year increase of 7.1%. The Company's operating scale, efficiency and quality have advanced to new levels year after year. The Group has been one of the top 500 enterprises in the world for 18 consecutive years. The Group ranked 39th on the latest Fortune Global 500 list, 4th on the Fortune China 500 listed companies list, 2nd among the top 250 global contractors by Engineering News – Record (“ENR”); has been awarded an A-level rating in the annual performance assessment among central enterprises for 10 consecutive years; obtained an A-level (excellent) rating in the assessment among listed companies on Shanghai Stock Exchange for 15 consecutive years, including A-level evaluation for information disclosure from Shanghai Stock Exchange for 10 consecutive years; ranked among the “Top 30 Central Enterprises in Brand Building Capability” for the first time, and was awarded the Best Corporate Culture Practice among Chinese Companies. The top international rating agencies Moody's and Fitch rated China Railway as A3/A-, and maintained the outlook of “stable”.

—**Effectively leveraged functional value and fully demonstrated commitment to mission.** The Group actively served the national strategies, focusing on the country's needs and its core responsibilities and business. The Group has deeply integrated itself into major regional strategies such as the coordinated development of Beijing-Tianjin-Hebei region, the development of the Yangtze River Economic Belt, and the revitalization of Northeast China. The Group completed a large number of landmark projects with high quality, including the Shenzhen-Zhongshan Bridge, the Beijing-Xiong'an Expressway, the Guiyang-Nanning High-speed Railway, and the Shanghai-Chongqing-Chengdu High-speed Railway, effectively demonstrating its role as a national team in infrastructure construction. The Group contributed to the high-quality Belt and Road cooperation, organized the “Stepping into China Railway” event for diplomatic envoys together with the Ministry of Foreign Affairs, and actively participated in major economic and trade cooperation activities such as the “Belt and Road” Forum for International Cooperation. A number of overseas representative projects in which the Group participated for construction have been put into operation, including the Jakarta-Bandung High-speed Railway, the railway line connecting the Padma Bridge in Bangladesh, the Busanga Hydropower Station in the Democratic Republic of Congo, and the Siem Reap Angkor International Airport in Cambodia. These projects have continuously polished the image of “China Road”, “China Bridge”, “China Tunnel”, “China Electrification”, and “China High-speed Railway”. The Jakarta-Bandung High-speed Railway and the Shenzhen-Zhongshan Bridge were selected among the Top 10 Super Projects by Central Enterprises in 2023. In major battles and tests such as earthquake and flood relief, rural revitalization, and assistance to Xinjiang and Xizang, the Company charged ahead and shouldered heavy responsibilities, for example, fully participating in the post-disaster reconstruction efforts following the Jishishan earthquake, fully demonstrating its commitment as a central enterprise and receiving widespread praise.

—**Strengthened foundations, improved quality and efficiency, and steadily enhanced development quality.** The Group has consistently adhered to high-quality development as the fundamental principle in the new era, unswervingly optimized structure of state-owned capitals and made state-owned enterprises stronger. Focusing on improving efficiency and creating value, the Group vigorously pursued “profitable revenue and cash-flow-generating profits”. Major economic indicators such as the operating income, net profit, return on equity and operating cash ratio all met expectations. Adhering to the principle of “cash is king”, the Company coordinated efforts on both revenue and expenditure with focus on cash flow management for engineering projects, and has achieved positive year-end operating cash inflow for 11 years in a row. The Company continuously optimized regional distribution, promoted the accelerated concentration of high-quality in key regions, continuously optimized its industrial structure, and vigorously advanced its development into an “Ace Engineering Bureau”, key Grade 3 company, and specialized and sophisticated enterprise that produces new and unique products. The Company effectively improved management efficiency, deeply promoted the efficiency improvement campaign for large-scale business management and project management, and further figured out comprehensive efficiency improvement methods and paths. The Company has achieved significant results in cost control, loss management, asset operation, and debt collection, ongoing improvements in operational quality and efficiency, and played a role as a “pillar” and “ballast” in sustaining and stabilizing the growth of the national economy.

—**Achieved breakthroughs in reform with determination and concerted efforts.** The Group closely followed the pace of state-owned enterprise reform in the new era, comprehensively launched the reform deepening and improvement campaign, and coordinated the deepening of reforms in various fields. With a focus on improving core competitiveness and strengthening core functions, the Group refined and clarified 476 specific reform measures, and continuously increased its efforts in areas such as optimizing the governance system, innovating the management system, reshaping the distribution system, reforming the cadre and personnel system, coordinating development across the entire industrial chain, and reforming investment companies to address the problems hindering its high-quality development and received two consecutive A-level ratings in the special assessment on reform of central enterprises. The Group organically combined market value management with the quality improvement of listed companies, took several special initiatives in a coordinated manner such as promoting a new round of reforms and creating value with reference to the world’s first-class enterprises, continuously drove the forming of the Group’s intrinsic value and potential improvement. The Group deepened and expanded the exemplary action for scientific and technological transformation, and the “Double Hundred Action”, with three units shortlisted as “Double Hundred Enterprises”, namely China Railway No.1 Engineering Group Co., Ltd., China Railway Construction Engineering Group No.4 Construction Co., Ltd., and China Railway Communications Investment Group Co., Ltd., two units shortlisted as “Model Enterprises that Undergo Scientific and Technological Transformation”,

namely China Railway High-Speed Electrification Equipment Corporation, and Anhui Digital Intelligence Research Institute of China Railway No.4 Engineering Group Co., Ltd., and three units shortlisted as world-class professional leading demonstration enterprises by SASAC, namely China Railway Major Bridge Engineering Group Co., Ltd., China Railway Electrification Engineering Group Co., Ltd., and China Railway Engineering Equipment Group Co., Ltd.

——**Effectively led with scientific and technological innovation, and achieved remarkable results in transformation and upgrading.** The Group has put into practice the spirit of the important instructions of General Secretary Xi Jinping on “Three Transformations” by unswervingly implementing the innovation-driven development strategy and strengthening self-reliance in science and technology. The Group actively planned the layout of strategic emerging industries and future industries, closely integrated the innovation chain around the industrial chain, improved the scientific and technological innovation system, accelerated the gathering of innovation elements, and promoted the transformation of scientific and technological achievements. The Group has successfully overcome a number of “bottleneck” problems in key core technologies and has held the China Smart Manufacturing Brand Forum for four consecutive years. The Group accelerated its transformation and upgrading towards industrialization, digitization, and green development. A number of “tools with great significance for the country” made their debut, including the world’s first green shield machine, the first downhill mining TBM with a large inclination angle, the first cantilever smart bridge-building machine, and the first hydrogen-powered subway construction vehicle. The Shenzhen Binhai Avenue (Headquarters Base Section) Comprehensive Transport Reconstruction Project and the “TBM + Earth Pressure + Slurry” three-mode shield machine won the Engineering Award of the Year, and Product/Equipment Innovation Award by the International Tunneling and Underground Space Association, respectively. The Group has expanded and optimized its innovation platforms, adding one national-level technology center, eight national intellectual property demonstration and advantageous enterprises, and five provincial and ministerial-level innovation platforms, and optimized and integrated three national-level laboratories. During the reporting period, the Group won 17 Zhan Tianyou Awards, 17 Luban Awards, 57 National Quality Engineering Awards (including 5 gold awards), and 2 Dayu Awards, Our level of excellence and reputation have ranked among the top central enterprises in the construction sector.

During the reporting period, the operation of primary business of the Group are described as follows:

(1) *New contracts and contract backlog*

In 2023, the amount of newly signed contracts of the Group was RMB3,100.6 billion, representing a year-on-year increase of 2.2%. The amount of newly signed contracts in the domestic business amounted to RMB2,900.81 billion, representing a year-on-year increase of 1.8%; the amount of newly signed contracts for the overseas business amounted to RMB199.79 billion, representing a year-on-year increase of 8.7%. As of the end of the reporting period, the amount of the Group's contract backlog was RMB5,876.41 billion, representing a year-on-year increase of 19.2%. The amount of newly signed contracts by business segment is set out as below:

**Amount of New Contracts**

*Unit: 100 million Currency: RMB*

<b>Business type</b>	<b>2023</b>	<b>2022</b>	<b>Year-on-year increase/decrease</b>
Engineering construction	<b>22,509.7</b>	20,203.1	11.4%
Design and consulting	<b>277.7</b>	278.9	-0.4%
Equipment manufacturing	<b>688.2</b>	631.9	8.9%
Featured property	<b>696.1</b>	751.9	-7.4%
Asset operation	<b>1,772.9</b>	3,915.6	-54.7%
Resource utilization	<b>334.4</b>	236.0	41.7%
Financial and merchandise trading	<b>900.3</b>	695.5	29.4%
Emerging business	<b>3,826.7</b>	3,611.0	6.0%
<b>Total</b>	<b><u>31,006.0</u></b>	<b><u>30,323.9</u></b>	<b><u>2.2%</u></b>
Domestic	<b>29,008.1</b>	28,486.1	1.8%
Overseas	<b>1,997.9</b>	1,837.8	8.7%

(2) *Developments of the principal business segments*

(i) Engineering construction

Engineering construction is the core of the Group, the foundation for consolidating the leading position of the Group in the construction industry and enhancing brand strength, an important pillar for improving the market influence, and a key field for improving the economic benefits and promoting the high-quality development of the Group. The engineering construction business of the Group involves railway, highway, municipal works, housing construction, urban rail transit, and other engineering fields, covering more than 100 countries and regions in the world. The Group has special-grade qualifications for general contracting of construction of railways, highways, municipal public engineering, building engineering, etc. The basic operation mode is to obtain orders through market competition at home and abroad, complete the tasks of survey, design, procurement, construction and operation of projects in accordance with the contracts by means of general engineering contracts and general construction contracts, etc., and is responsible for the quality, safety and construction period of the contracted project.

The Group has always been a leader in China's infrastructure construction industry and one of the largest construction contractors in the world. As of the end of the reporting period, the Group has 3,551 construction enterprise qualifications, being one of the enterprises with highest, complete and most qualifications. In terms of special-grade qualification for construction general contracting, the Group has 18 general contracting qualifications for railway construction at special grade, accounting for over 50% of the total number of general contracting qualifications for railway construction at special grade in China; 33 general contracting qualifications for highway construction at special grade; and 21 general contracting qualifications for engineering construction at special grade, 9 general contracting qualifications for municipal public engineering at special grade and 1 general contracting qualification for port and waterway construction at special grade. The Group has the National Engineering Research Center of High Speed Railway Construction Technology, National Key Laboratory of Tunnel Boring Machine and Intelligent Operation and Maintenance, National Key Laboratory of Bridge Intelligence and Green Construction, and National and Local Joint Engineering Research Center for the Research and Application of Digital Rail Transit Technologies, representing the most advanced technological level in terms of railway, bridges, tunnels and rail transit construction in China. The Group is one of the major infrastructure construction forces in the construction of the Belt and Road Initiative. It is the main contractor of the representative projects along the "Belt and Road" including China-Laos Railway, the Indonesian Jakarta-Bandung High – speed Railway, the Budapest-Belgrade Railway and the Padma Bridge in Bangladesh.

During the reporting period, the amount of newly signed contracts for the engineering construction business of the Group was RMB2,250.97 billion, representing a year-on-year increase of 11.4%. From a business segment perspective: ①The amount of newly signed contracts for railway construction business amounted to RMB318.53 billion, representing a year-on-year decrease of 35.6%. ②The amount of newly signed contracts for highways construction business amounted to RMB220.99 billion, representing a year-on-year increase of 29.4%. ③The amount of newly signed contracts for municipal works business amounted to RMB261.42 billion, representing a year-on-year decrease of 5.7%. ④The amount of newly signed contracts for urban rail business amounted to RMB164.48 billion, representing a year-on-year increase of 39.7%. ⑤The amount of newly signed contracts for housing construction business amounted to RMB1,147.82 billion, representing a year-on-year increase of 37.9%. ⑥The amount of newly signed contracts for other business segments amounted to RMB137.73 billion, representing a year-on-year increase of 8.2%.

(ii) Design and consulting

Design and consulting is the core of the Group, an important engine for leading the upgrading of technology and industry of the Group and driving the development of other business, an important basis for enhancing the brand influence of the Group, and an important support for promoting industrial coordination and improving the innovation ability of the whole industrial chain. Our design and consulting business covers the whole process of capital construction services such as research, planning, consulting, cost, survey and design, supervision, general engineering contracting, and product industrialization, mainly involving industries such as railways, urban rail transit, highways, municipal works, housing construction, water transport and hydropower survey and design. The Group constantly expands into new industries and new fields such as rack railway, suspended rail, medium and low speed maglev, high speed maglev, new infrastructure, smart transport, civil airports, ports and wharfs, power, energy conservation and environmental protection. The basic operation mode is to obtain survey and design orders through market competition at home and abroad, and complete the tasks such as design and consulting and relevant services of engineering projects as agreed in the contract. At the same time, the Group constantly innovates the operation mode of design and consulting business, makes full use of the advantages of urban transport infrastructure planning, plays the role of the market as a driving force and in expanding our reach to comprehensively enhance our capabilities to provide integrated services across the entire industry chain, and promotes the development of the entire industrial chain. As a backbone enterprise in China's design and consulting industry, the Group has played an important leading role in the field of engineering construction, especially in assisting in the formulation of construction codes and quality acceptance standards of the railway industry. The Group has won 154 National Excellent Engineering Survey and Design Awards, 110 National Excellent Engineering Consulting Achievement

Awards, and 35 International Engineering Consulting (FIDIC) and Engineering Design Awards. On the ENR 2023 list of Top 150 Global Design Firms and Top 225 International Design Firms, the Group ranked 16th and 119th respectively.

During the reporting period, the Group fully leveraged the professional advantages and leading role of each enterprise in the design sector, and recorded newly signed contracts of RMB27.77 billion for design and consulting services, which is nearly the same as last year.

(iii) Equipment manufacturing

Equipment manufacturing is the core segment of the Group, an important carrier for practicing the “three transformations” and promoting the high-end brand of the Group, an important force for boosting the transformation and upgrading of the Group, and an important support for reinforcing and upgrading weak links in the industrial chains as well as improving the core competitiveness. The Group’s equipment manufacturing business mainly serves the infrastructure construction at home and abroad, and its products cover turnouts, tunnel construction equipment, bridge construction steel structure, engineering construction machinery, fabricated building components and rail transit electrification equipment, etc. The basic operation mode is mainly to obtain orders through market competition at home and abroad, and provide relevant products and services with guaranteed quality and quantity on schedule according to the contract. **In terms of turnout products**, the Group has the core competitive advantages of the whole industry chain from design, research and development to manufacturing, and has the annual production capacity of 20,000 turnouts of various types. The products are widely used in railways, subways, tramcars and other fields. **In terms of tunnel construction equipment and services**, the Group provides relevant products and supporting services covering various series of tunnel boring machines such as the composite shield machine, hard rock TBM and supporting equipment, and tunnel construction machinery, and has established the whole industrial chain layout of design, R&D, manufacturing and supporting services of spare parts and supporting equipment, and has maintained its leading position in various sub-sectors. Notably, it holds a market share exceeding 60% in the water conservancy sector and over 80% in the pumped storage sector. **In terms of steel structure manufacturing and installation**, the manufacturing and installation business of the Group’s bridge steel structure mainly focuses on manufacturing and installing various large-scale bridge steel structures, which has obvious advantages in the steel structure market of bridges crossing rivers. The bridge steel structures and steel-pylons manufactured have reached the international advanced standard. **In terms of construction machinery**, the Group is a large-sized scientific and technological enterprise specialized in manufacturing and R&D of special construction machinery for railways, highways, urban rail transits, etc. in China and even in the world. Its products include railway construction equipment such as

the rail laying machine, bridge erecting machine, girder carrier and handling machine, and other large-scale engineering machinery such as the lifting machinery. **In terms of electrification equipment for railways and urban rail transits**, the Group's rail transit electrification equipment mainly includes complete set of catenary equipment for the regular railway, acceleration railway, and high-speed railway, and complete set of power supply equipment of all power supply forms of urban rail transit. Among them, the catenary equipment for railway passenger lines and high-speed railways are at the international advanced the level. **In terms of prefabricated buildings**, the Group is a supplier with rich product structures and a complete set of solutions for prefabricated buildings in the domestic prefabricated building component industry, devoting itself to creating a high-tech and innovative prefabricated building business platforms.

The Group has a leading position in the field of high-end equipment manufacturing related to transportation infrastructure such as railways, highways, urban rail transit and underground engineering in the country and even the world. It has outstanding competitiveness in scientific and technological innovation strength, core technology advantages, production and manufacturing the level, brand awareness and other aspects. The Group is the world's leading shield/TBM R&D manufacturer, the world's leading steel structure manufacturer of turnouts and bridges, the leading railway construction equipment manufacturer in China, and the world's leading manufacturer of infrastructure construction service equipment. The Group develops and manufactures tunnel boring machines, special equipment for tunnel mechanization, engineering construction machinery, turnouts, steel bridges, etc. with abundant and stable market demand. Our market share for related products maintains a leading position in the industry. CRHIC (stock code: 600528.SH), a controlling subsidiary of the Group, has the most complete products in the field of railway infrastructure equipment in our country and is the only industrial enterprise in A share main board market that mainly engages in high-end equipment for rail transit and underground excavation. CRHEEC (stock code: 688285.SH) is an important supplier engaging in the R&D, production and system integration of domestic electrified catenary components and power supply equipment for urban rail transit. CRPCC (stock code: 300374.SZ) is a supplier with rich product structures and integration service capability of prefabricated buildings in the domestic prefabricated building component industry, able to provide a complete set of solutions for prefabricated buildings.

As a leading manufacturer of high-end equipment for engineering construction, the Group continuously enhances its innovation-driven development capability and makes new breakthroughs in the new-type rail transit industry and new-type technology-based environmental protection industry. The Group holds the second-largest global market share in overseas markets of tunnel boring machines, while its medium and large-diameter shield machines have gained high recognition from customers in the European high-end market.

During the reporting period, the amount of newly signed contracts for the equipment manufacturing business of the Group was RMB68.82 billion, representing a year-on-year increase of 8.9%.

(iv) Featured property

Featured property is an important carrier for diversified brands of China Railway. The Group shifts to the model of “property + infrastructure” and “property + industry” relying on its main business advantages, striving to be an excellent comprehensive urban development operator. The Group also accelerates the transformation from traditional commercial property development to the comprehensive multi-industry and multi-function development model. Giving full play to industrial chain integration, the Group innovates business models and activating new drivers of distinctive development, with the focus on expanding the field of integrated infrastructure and property, area development, industrial property, cultural tourism property, TOD, and property for old-age care and health preserving. The Group’s featured property business includes primary land development and secondary real estate development. The operation mode of primary land development refers to that the local government or its authorized department and platform company entrust the Group to legally expropriate the land in a certain area, construct urban infrastructures and social public facilities according to the planning requirements by means of competition, so as to make the land within the area meet the specified supply conditions, and the government or its authorized department obtains the land transfer income by transferring the land with compensation, and pays the Group’s investment and income according to the agreement. The secondary property development is to obtain the authorization of property development through market competition at home and abroad and sell or lease the newly built commercial housing.

In 2023, the Group performed in-depth analysis of the changing real estate market environment, continuously optimized the map of investment projects, strengthened the construction of the risk prevention and control system, and upheld the principles of sales-based production and revenue-based expenditure to ensure the safety of cash flow of real estate business, and promote the steady and healthy development, transformation and upgrading of real estate business. During the reporting period, the Group’s featured property sector achieved a sales amount of RMB69.61 billion, representing a year-on-year decrease of 7.4%, and its sales area was 4.458 million square meters, representing a year-on-year decrease of 18.7%. The area that we have commenced construction was 3.133 million square meters, representing a year-on-year decrease of 41%; the area that we have completed construction was 5.354 million square meters, representing a year-on-year decrease of 9.6%; and the newly acquired land reserve was 0.804 million square meters, representing a year-on-year decrease of 38.4%. As of the end of the reporting period, the Group’s land reserve to be developed covered 12.9922 million square meters.

(v) Asset operation

Asset operation is an important carrier for China Railway to optimize industrial layout and strengthen the brand of the whole industry chain, and a key link for strengthening operational asset management, guaranteeing investment income and enhancing capital circulation capacity. The scope of the Group's asset operation business mainly covers the operational management of infrastructure investment projects and asset management. There are three operational modes, namely independent operation, entrusted operation and joint operation. Independent operation is used for most of on-balance sheet projects. The Group has established a scientific operational management system and a professional operational management platform, and has built the operation brand of China Railway in such fields as expressway, environmental protection for water resources. The Group has also established standardized operational management systems in areas such as underground utility tunnels and rail transit, providing support for becoming a first-class infrastructure investor and operator and building the operation brand of China Railway. In 2023, the Group deeply promoted the high-quality development of asset operation business, focusing on improving the value creation capability throughout the whole life cycle of investment projects. The Group comprehensively considered the financing feasibility, exit feasibility, full-cycle financial viability, and capital recovery period of projects, and continuously strengthened risk management and control. The Group proactively selected and cultivated high-quality projects that can be revitalized, and strengthened the research and application of revitalization methods such as public REITs, quasi-REITs, ABS, and equity fund replacement. At present, the Group operates such infrastructure projects as rail transit, expressway, underground utility tunnels, environmental protection for water resources, municipal roads, sponge cities, industrial parks, etc., across most cities and regions in China, with the operation period ranging from 8 to 40 years. During the reporting period, the Group actively addressed the impact of changes in national policies, made controlling risk and enhancing investment quality the fundamental prerequisites for undertaking investment projects, intensified our internal oversight, selected high-quality investment projects within our main business, strictly implemented rigid management of our investment budgets to maintain reasonable control over the scale of our investments. As a result, the Group recorded newly signed contracts of RMB177.29 billion, a year-on-year decrease of 54.7%, in asset operation business.

(vi) Resource utilization

The Group's resource utilization business is mainly based on the management and development of mining entities. Currently, it wholly owns, controls or holds shares to invest in the construction of five modern mines at home and abroad, including Luming Molybdenum Mine, Heilongjiang, Luishia Copper-Cobalt Mine, Comagnie Minière de Luisha S.A.S, Congo, MKM Copper-Cobalt Mine, SICOMINES Copper-Cobalt Mine, and Wulan Lead and Zinc Mine, Mongolia, all of which are in good conditions. The main mineral products produced and sold by the Group include concentrate of varieties involving copper, cobalt, molybdenum, lead, zinc and others, copper cathode and cobalt hydroxide. Currently, the retained reserves of copper, cobalt and molybdenum of the Group are in the leading position in the same industry in China, and the mines' production capacity for copper and molybdenum has been at the forefront in the same industry in China. In recent years, the Group has been using the management and development of mining entities as the foundation to continuously expand its mining services business, including ore stripping and the sale of mining equipment, and further acquired projects of construction sand and gravel aggregates.

In 2023, the Group's overall development and sales of mineral resources remained stable. The Group produced 283,800 tons of copper, a year-on-year decrease of 6.3%, 4,600 tons of cobalt, a year-on-year decrease of 11.5%, 15,200 tons of molybdenum, a year-on-year increase of 1.3%, 8,500 tons of lead, a year-on-year decrease of 10.5%, 26,600 tons of zinc, a year-on-year increase of 11.3%, and 44 tons of silver, flat year on year.

### Mining Resource Project Table (As at 31 December 2023)

No.	Project name	Mining resource			Equity ratio (%)	Planned total investment (RMB100 million)	Accumulated investment of the project (RMB100 million)	Production quantity in the reporting period (10,000 tons)	Project progress
		Type	Grade	Resource/Reserve (10,000 tons)					
1	Luming Molybdenum Mine, Yichun City of Heilongjiang	Molybdenum Copper	0.09% /	62.16 /	83	60.17	60.26	1.52 0.14	In normal production
2	SICOMINES Copper-Cobalt Mine	Copper Cobalt	3.53 0.15	691.51 54.75	41.72	45.86	30.92	23.55 0.39	In normal production
3	Luishia Copper-Cobalt Mine	Copper Cobalt	2.57 0.06	45.50 1.13	72	21.38	21.60	3.01 0.05	In normal production
4	MKM Copper-Cobalt Mine	Copper Cobalt	1.87% 0.24%	3.10 0.32	80.2	11.95	12.35	1.82 0.02	In normal production
5	Wulan Lead and Zinc Mine, Xinxin Company	Lead Zinc Silver	1.15% 2.91% 56.55g/t	14.86 37.48 0.07	100	15.4	15.4	0.85 2.66 0.0044	In normal production
6	Muhaer Lead and Zinc Mine, Xinxin Company	Lead Zinc Silver	0.63% 2.37% 118.17g/t	4.11 15.47 0.08	100	–	–	–	Not yet exploited
7	Wurile Ovoo and Zhanggai Tolgoi Gold Mine, Xinxin Company	Gold	3g/t	0.0003	100	–	–	–	Not yet exploited
8	Silver-Lead-Zinc polymetallic Mine, Chafu, Xianglong Mineral Co., Ltd.	Lead	7.00%	8.97	100	3.3	–	–	Ceased production

(vii) Financial and merchandise trading

When carrying out financial business, the Group has strictly implemented the State regulatory policies and adhered to the overall guidelines of integration of industry and finance. Centering on the target of serving internal financial needs, promoting the development of principal construction business and creating value and adhering to the principle of giving priority to benefits in the allocation of financial resources, the Group's financial business segment has effectively promoted the flow of financial resources to efficient assets, while firmly holding the bottom line of avoiding financial risks. The Group holds the financial licenses for trust, finance company, and public fund, and is approved to engage in such financial businesses such as assets management, private equity fund, insurance brokerage, finance lease, and commercial factoring, which are the financial businesses that SASAC allows to be conducted in a prudent and regulated manner. The Group has built a multi-level, wide-covered and differentiated "finance, quasi-finance" institutional service system represented by China Railway Trust Co., Ltd., China Railway Finance Co., Ltd., and China Railway Capital Co., Ltd. The three companies actively explore new ways to integrate industry and finance to serve internal financial needs. China Railway Trust Co., Ltd. continuously enhances its ability and level of service to its main business and industry by strengthening asset management trusts, expanding asset service trusts, and optimizing charitable trusts. China Railway Finance Co., Ltd. is responsible for strengthening internal capital concentration, establishing capital pool, and deepening treasury construction. It actively explores a new "treasury-type, centralized, online" direct bank-enterprise connection model and give full play to the advantages of the platform of financial integration to improve capital utilization efficiency, and reduce financing costs. China Railway Capital Co., Ltd. has developed diversified businesses such as the project fund, asset securitization, supply chain finance, commercial factoring, financial leasing, insurance brokerage, innovative venture and international investment and financing, and enhanced the efforts for obtaining equity financing for investment projects.

The merchandise trading business of the Group represents the trading business carried out by the trading enterprises at all levels of the Group relying on the demand advantage, product advantage and resource channel advantage and centralized purchase and supply based on the main Corporate bonds internal trading demand of the Group and provides external services in an appropriate manner. China Railway Resources Group Co., Ltd., a wholly-owned subsidiary of the Group, is responsible for the sales of mineral products in the resource sector. China Railway Material Trade Co., Ltd., a wholly-owned subsidiary of the Group, has established a national-wide operation and service network, and maintained good cooperative relationship with domestic large-scale production enterprises of steel, cement, petrochemical, components for communications engineering, signal engineering, electrical engineering and electrification engineering, building decoration materials and other products. China Railway Material Trade Co., Ltd. carries out centralized procurement and supply of major materials at the Group level, and supplies materials to other domestic construction enterprises, significantly improving the Group's capabilities in resources acquisition, supply security, procurement and bargaining power. During the fluctuation period of commodity prices, it provided reliable material supply guarantee for the Group's production and operation and helped the Group address the price fluctuation risks by making appropriate reserves and locking price in good time.

During the reporting period, the amount of newly signed contracts for the financial and merchandise trading business of the Group was RMB90.03 billion, representing a year-on-year increase of 29.4%.

(viii) Emerging business

The Group's emerging business, encompassing both "second curve" emerging business and strategic emerging industries (including future industries), is the China Railway's key cultivation segment. Emerging business is crucial for aligning with national strategies, building a modern industrial system, accelerating the formation of new productive forces, and ensuring the Group's sustainable development. They also play a vital role in establishing a competitive advantage for the future. In 2023, the Group issued the Guiding Opinions of China Railway on Further Strengthening the Construction of the "Second Curve", which, in close alignment with national strategies such as the "3060" dual carbon goals and "two priorities and one new", focuses on key regions and emerging fields, highlights a market-oriented approach to adjust its industrial structure and guides business models with technological innovation in order to concentrating its efforts on continuously developing emerging business. In terms of strategic emerging industries, the Group is focusing on four major areas: artificial intelligence, industrial software, high-end machine tools, and future space. It is also increasing its development efforts in high-end equipment manufacturing and energy conservation and environmental protection (green building), strengthening its industrial layout in new materials and service industries in relation to strategic emerging industries, and leveraging its advantages in main business to specialize in and expand construction engineering and related engineering services for strategic emerging industries such as new energy.

During the reporting period, the amount of new contracts for the emerging businesses of the Group was RMB382.67 billion, representing a year-on-year increase of 6%. From a business segment perspective: ① The amount of newly signed contracts for water conservancy and hydropower business amounted to RMB69.49 billion, representing a year-on-year decrease of 29.5%. ② The amount of newly signed contracts for clean energy business amounted to RMB97.88 billion, representing a year-on-year increase of 123.3%. ③ The amount of newly signed contracts for ecological and environmental protection business amounted to RMB97.26 billion, representing a year-on-year increase of 20.7%. ④ The amount of newly signed contracts for airport and port waterways business amounted to RMB30.68 billion, representing a year-on-year increase of 18.4%. ⑤ The value of newly signed contracts for urban operations business amounted to RMB22.41 billion, representing a year-on-year decrease of 64.9%. ⑥ The amount of newly signed contracts for other business amounted to RMB64.95 billion, representing a year-on-year increase of 34.2%.

### **4.2.3 Scientific research investment and technological achievements**

As one of the country's first "innovation-oriented enterprises" awarded by the Ministry of Science and Technology, the SASAC and the All-China Federation of Trade Unions, the Group has 3 national laboratories (the National Engineering Laboratory of High Speed Railway Construction Technology, National Key Laboratory of Tunnel Boring Machine and Intelligent Operation and Maintenance, and National Key Laboratory of Bridge Intelligence and Green Construction (engineering research center), 10 postdoctoral workstations, 1 national local joint research center (national and local joint engineering research center for the research and application of digital rail transit technologies), 52 provincial and ministerial research and development centers (laboratories), 19 nationally recognized technology centers, and 138 enterprise technical centers recognized at the ministerial or provincial level. It restructured 17 professional corporate R&D centers in an optimal manner and invested in the national technology innovation center for the Sichuan-Xizang railway. In 2023, the Group was approved by the National Intellectual Property Administration to set up the national operation center for intelligent property rights of underground works, and successfully passed the review as a Beijing Intellectual Property Advantage Unit. Eight of our subsidiaries were newly recognized as National Intellectual Property Demonstration Enterprises and Advantageous Enterprises, including three Demonstration Enterprises and five Advantageous Enterprises. This brings the total number of such enterprises within the Group to 25.

In 2023, our research and development efforts focused on key topics such as plateau railway construction technology, high-speed railway construction technology, bridge survey, design, construction and maintenance technologies, tunnel and underground engineering construction technology, four-electricity engineering technology, construction equipment and industrial product manufacturing technology, building construction technology, intelligent construction, green and low-carbon and information technology, and energy saving and emission reduction technology. In line with the actual production and operation needs, the Group leveraged key and challenging projects such as the Chengdu-Chongqing Middle Line High-speed Railway, Dali-Ruili Railway, Shanghai-Chongqing-Chengdu High-speed Railway, Chongqing-Kunming High-speed Railway (Sichuan-Chongqing Section), Xiongan-Shangqiu High-speed Railway, Brazil East-West Railway, Guangzhou-Zhanjiang Railway, Zhejiang Zhoushan Xihoumen Highway-Railway Bridge, Chongqi-Qidong Yangtze River Highway-Railway Bridge, Changtai Yangtze River Bridge, Ma'anshan Yangtze River Highway-Railway Bridge, Zhuhai Xijiang Highway-Railway Bridge, Zhongshan Station in Antarctica, Dianzhong Water Diversion Project, and Dongguan Songshan Lake Water Plant to perform research under the topics such as bridge survey and design theories and methods, new bridge structures and materials, intelligent bridge construction technologies and equipment, intelligent construction and data collaborative management of drill-and-blast tunnel engineering, risk control and equipment for urban rail transit foundation pit construction, research on key technologies and equipment for electrified highways, intelligent assessment of service performance and key technologies for performance improvement of high-speed railway ballastless track-bridge structural systems, integration and application demonstration of intelligent construction technologies for unmanned construction sites in transportation

infrastructure, intelligent engineering management and maintenance technologies, and standardization of key component and key system status monitoring and performance evaluation for engineering equipment (tunnel boring machines). Leveraging a number of plateau engineering projects such as the Sejila Mountain Tunnel and Dadu River Bridge, the Group conducted research on topics of construction technologies for roadbeds in complex environments and disaster prevention and control, key technologies for plateau canyon kilometer-span railway suspension bridges, drill-and-blast construction technologies for high-altitude and deep-buried complex geological and environmental tunnels, and manufacturing of the “Linghang” super-large diameter slurry shield machine. During the reporting period, the Group won 17 China Zhan Tianyou Civil Engineering Awards, 17 Luban Awards, 480 scientific and technological advancement awards at the provincial and ministerial level; 8,324 authorized patents, including 2,438 invention patents and 315 overseas PCT patents, and 1,184 provincial and ministerial engineering methods. The Group also won 3 Excellence Awards at the 24th China Patent Awards, one gold medal and two silver medals at the 48th Geneva International Exhibition of Inventions. Notably, the patent “Test System for Driving Safety of High-speed Railway Bridges under Earthquakes” applied by the High-speed Railway Engineering Center won the gold medal at the Geneva International Exhibition of Inventions, marking a new breakthrough for China Railway in this award.

#### ***4.2.4 Establishment and implementation of safety and quality system***

As a construction company, China Railway places the utmost importance on ensuring production safety and reducing work-related accidents. Strict compliance with laws and regulations during production and operations is crucial for the Group’s sustainable development. The Group strictly adheres to relevant laws and regulations such as the Work Safety Law of the People’s Republic of China, Occupational Disease Prevention and Control Law of the People’s Republic of China, Fire Protection Law of the People’s Republic of China, and Work-related Injury Insurance Regulations, as well as other laws and regulations in the locations where the Group operates that have a significant impact on the health and safety of our employees. The Group has formulated systems such as the Regulations on Occupational Safety and Health Supervision and Management and the Guiding Opinions on Employee Living Security Work, continuously strengthening management in this regard, so as to provide employees with a healthy and safe work environment, reduce work-related accidents, and protect the legitimate rights and interests of workers.

**In terms of the establishment of the system,** The Group has set up the Production Safety (quality) Committee, which is responsible for all aspects of the production safety of the Group. The Committee has 2 directors, who are the secretary of the Party committee, chairman, and president of the Group respectively, 1 deputy director, who is the vice president in charge of safety and quality, and members including other leadership team and senior management, and heads of relevant departments of the headquarters of the Group. Tier 2 and tier 3 companies have production safety supervision and management departments, and construction and investment enterprises have full-time safety directors.

**In terms of the improvement of the system,** In 2023, the Group fully implemented the “General System + Special Systems + Rigid Standards” institutional system. The Group implemented the Measures of China Railway for the Management of Safety, Quality and Environmental Protection, a programmatic document for safety and quality. It makes the four-tier safety management system more comprehensive and effective, with enhanced management support from business systems, and a progressive synergistic effect. The Group established a comprehensive “1+9+N” system and issued the Notice on Continuously Improving Production Safety Management Awareness and Leading the In-depth Advancement of Safety and Quality Management System Improvement and the China Railway Carbon Peaking Action Plan, steadily promoting the “dual carbon” work. In terms of emergency management, the Group formulated the Emergency Plan for Safety, Quality, Ecological Environment, and Disaster Accidents (Incidents) and conducted emergency drills using three methods: tabletop drill, functional drill, and comprehensive drill. Emergency drill activities were organized in June 2023, a “Production Safety Month”.

**In terms of monitoring the implementation of the system,** All of the Group’s construction subsidiaries have established control and inspection teams and worked out a regular reporting system for monitoring with a view to promptly eliminating various safety, quality, and environmental hazards on construction sites. The number of major safety hazards was significantly reduced, and control over on-site construction production by control and inspection teams at all levels became increasingly strict. By systematically analyzing issues identified through regular hazard inspections throughout the year, the Group greatly reduced the number of project safety hazards, cultivated a stronger safety management culture, and initially took a posture of strict management.

#### ***4.2.5 Implementation of environmental protection measures***

The details are set out in the “Environmental Information” on page 93 to page 97 of this announcement.

#### ***4.2.6 Compliance with laws and regulations***

As a company dually listed on Shanghai Stock Exchange and the main board of the Hong Kong Stock Exchange, during the reporting period, the Group strictly complied with laws and regulations including the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, and the various rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, continuously enhanced the corporate governance structure and brought forth new ideas to the operational mechanism of corporate governance, thereby continuously enhancing the rationality and effectiveness of corporate governance. During the reporting period, there was no material breach of laws and regulations by the Group.

#### **4.2.7 Maintenance of relationship with stakeholders**

The Group always maintains a cooperation relationship of harmony, mutual trust and mutual benefit with its stakeholders, insists on putting itself in the shoes of the stakeholders to consider issues and proactively responds to the important issues of the stakeholders' concern. The Group has in place a smooth, standardized and distinctive communication system with the stakeholders, and strives to achieve mutual, harmonious and win-win development with the stakeholders.

#### **4.2.8 Outlook**

Facing the exceptionally complex international environment and the arduous tasks of domestic development and stability, the Central Economic Work Conference emphasized the necessity to “adhere to the general principle of seeking progress while maintaining stability, implement the new development philosophy fully, faithfully and comprehensively, focus on promoting high-quality development, comprehensively deepen reform and opening up, and build self-reliance and strength in high-level science and technology, intensify macro regulation, do a good job both in both expanding domestic demand and deepening supply-side structural reform, ensure both new urbanization and rural revitalization across the board, and secure both high-quality development and high-level security”. This highlights the determination and confidence of the Central Committee of CPC and the State Council to grasp big economic picture and accelerate the economic recovery in the first year after the 20th National Congress of CPC. The infrastructure investment, as the main force of stabilizing the economy by “counter-cycle adjustment + cross-cycle adjustment”, is expected to play a more dominant role as an engine in stabilizing growth. **From the perspective of planning and development opportunities.** Along with the successive release of a series of important planning documents including the 14th Five-Year Plan for the Development of Modern Integrated Transportation System, the 14th Five – year Plan for the Development of Construction Industry, Guideline To Accelerate Construction of Urban and Rural Environmental Infrastructure, 14th Five-Year Plan on Modern Energy System Planning, Work Plan on Solidly Promoting the Implementation of Major Transportation Projects under the 14th Five-Year Plan, New Urbanization Implementation Plan during the 14th Five-Year Plan Period, and the 14th Five-Year Plan National Urban Infrastructure Construction, and the thorough implementation of regional major strategies and regional coordinated development strategies including the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Yangtze River Economic Belt, the construction of Guangdong-Hong Kong-Macao Greater Bay Area, the integrated development of the Yangtze River Delta, and the ecological protection and high-quality development of the Yellow River basin, the construction in areas such as the “Three Major Projects”, urban renovation, rural revitalization, new energy, ecological and environmental protection, high-standard farmland, national backbone water networks, and new infrastructure (including big data centers and other information infrastructure, converged infrastructure, and innovative infrastructure) continued to advance, laying a solid foundation for the steady and sound development of the infrastructure industry in the future. **From the perspective of degree of financial support.** China is giving top priority to stabilizing growth. Fiscal policy will be more effective and fiscal expansion will be further intensified. With the comprehensive use of deficit,

special bonds, discount interest and other tools, fiscal funds for infrastructure construction will maintain a steady growth. In particular, further expansion of the areas of investment and scope of capitalization of the special-purpose bonds will leverage more incremental funds. In 2023, tax and fee reductions of over RMB2.2 trillion were made, and additional government bonds of RMB1 trillion were issued to support post-disaster recovery and reconstruction and enhance disaster prevention, mitigation, and relief capabilities. Monetary policy will be targeted and effective, the required reserve ratio (RRR) was lowered twice, and the policy rate was lowered twice, with the focus on supporting infrastructure and major projects. Credit conditions are expected to be further eased, market-based interest rates will continue to fall, and the scale of new policy-based development financial instruments will continue without abating. According to the reports of 31 provinces on the execution of budgets for 2023 and on the draft budgets for 2024, new special-purpose bonds and general bonds for 2024 approved by the Ministry of Finance ahead of time were RMB2.28 trillion and RMB432 billion in aggregate, respectively. It is proposed in the 2024 Government Work Report that, RMB3.9 trillion of special-purpose bonds for local governments will be issued, and starting this year and over each of the next several years, ultra-long special treasury bonds be issued, and RMB1 trillion of such bonds will be issued in 2024. As the pursuit of high-quality development continues to advance, the demand for equipment renewal will be steadily unleashed, ushering in a massive market of over RMB5 trillion. **From the perspective of industry innovation and upgrading.** During the 14th Five-Year Plan period, investment in traditional infrastructure will continue to remain high. Major projects such as Plateau Railway, Chengdu-Chongqing Middle Line High-speed Railway, and Yangtze River – Han River Water Diversion proceed in an orderly manner. The “New Infrastructure” will boost continuously. There is vast potential for the development of smart cities, smart transportation and smart energy. Industry innovation requires more than more technological empowerment. The construction industry will gradually shift from being driven by investment and labor and other factors to by innovation. The integration of the construction industry with advanced manufacturing, information technology and energy-saving technology will be further enhanced, and the upgrading of industrialization, digitization and intelligence will accelerate, leading to higher quality development of the construction industry towards content-intensive integration.

During the 14th Five-Year Plan period, China Railway will focus on its historical mission and main responsibilities and business, take promoting high-quality development as the theme, promote transformation and upgrading as the main task, follow the “eight must-haves” as the strategic guidance, promoted the implementation of the “123456” development strategy, and adopt the growth approach of “two transformations” (i.e. transformation from debt-driven development to accumulation and innovation-driven development, transformation from traditional production and operation to asset management and capital operation). It is committed to becoming an enterprise with five characteristics in the new era: a national pillar with strong sense of responsibility, a pioneer with leading infrastructure, a leader in the industrial chain focusing on green development, a transnational company with brand influence and a modern enterprise with social respect, and continue to enhance its capacities of competitiveness, innovation, control, influence and risk resistance, and initially build itself into a world-class comprehensive construction industry group with global core competitiveness.

During the 14th Five-Year Plan period, China Railway will focus on improving its primacy ratio in the industry, in China, and in the world, and on enhancing the synergy among various businesses in the industry chain, the value chain, the supply chain and the innovation chain. It is committed to strengthening the three core businesses of design consulting, engineering construction and equipment manufacturing to catch up with the world-class level; optimizing the two key businesses of characteristic real estate and asset operation to build a first-class brand in China; specializing the two major supporting businesses of resources utilization and financial and merchandise trading to build a first-class platform in the industry; and expanding relevant emerging businesses to create new drivers of development, so as to comprehensively enhance its core competitiveness, and lay a solid foundation for its transformation and upgrading.

#### ***4.2.9 Operating plan***

2024 marks the 75th anniversary of the founding of the People's Republic of China. It is also a crucial year for achieving the objectives and tasks laid down in the 14th Five-Year Plan. The Group will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implement the guiding principles from the 20th National Congress of the CPC on all fronts, act on the guidelines of the Central Economic Work Conference, deeply implement the requirements of the Meeting of Heads of Central Enterprises, comprehensively execute the arrangements and deployments of the Fifth Party Congress of the Group, pursue progress while ensuring stability, consolidate stability through progress, and establish the new before abolishing the old. The Group will also unswervingly implement the "123456" development strategy, anchor on the main line of "efficiency improvement and value creation", deeply promote the "Reform Deepening and Enhancement Action", and focus on five key elements (i.e. grassroots organizations, reform, innovation, image and work style) and control risks in a solid manner. The Group will focus on improving our core competitiveness and strengthening our core functions, strive to give full play to our role in scientific and technological innovation, industrial control, and safety support in building a modern industrial system and a new development pattern, and strive to achieve effective improvement in quality and reasonable growth in quantity, in order to contribute to the building of Chinese modernization through concrete actions and tangible results that promote high-quality development of the Group.

The Group proposed the development goal of "stable growth in profit and continuous optimization in five ratios" for 2024 according to the assessment index system of "one profit and five ratios" by the State-owned Assets Supervision and Administration Commission in consideration of the reality of China Railway. To this end, efforts should be made to ensure that total profit will be no lower than last year, the gearing ratio will not increase year on year, and return on equity, labor productivity, operating cash ratio, and R&D investment all will grow from 2023. While maintaining a stable foundation for development, the Group will place greater emphasis on improving profitability and efficiency, value creation capabilities, and risk management level.

In 2024, the Group plans to achieve total revenue of approximately RMB1.3 trillion, costs of operation (including interest expense) of approximately RMB1,177.1 billion, and four expenses of approximately RMB66.6 billion. It is estimated that the newly signed contracts to be entered into will amount to approximately RMB3.3 trillion. The Group will promptly adjust its operation plan to suit market conditions and to reflect the actual implementation of the plan.

### **4.3 Financial Performance Overview**

The Group's principal business activities are infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development and other businesses.

In the year of 2023, the Group achieved revenue of RMB1,263.412 billion, representing a year-on-year increase of 9.4%. Profit for the year increased by 7.6% year-on-year to RMB37.637 billion while profit for the year attributable to owners of the Company increased by 7.1% year-on-year to RMB33.483 billion.

A comparison of the financial results for 2023 and 2022 is set forth below.

### **4.4 Consolidated Results of Operations**

#### ***Revenue***

In 2023, the Group's revenue increased year-on-year by 9.4% to RMB1,263.412 billion. It was mainly due to the increase in revenue from the Group's infrastructure construction business. Among which, revenue from overseas was RMB62.256 billion, representing a year-on-year increase of 6.5%.

#### ***Cost of sales and services and gross profit***

The Group's cost of sales and services primarily includes cost of raw materials and consumables, subcontracting cost, equipment usage cost (consisting of maintenance, rental and fuel), employee compensation and benefits and depreciation and amortization expenses. In 2023, the Group's cost of sales and services recorded a year-on-year increase of 9.1% to RMB1,140.726 billion while gross profit of the Group increased year-on-year by 12.7% to RMB122.686 billion. The overall gross profit margin for 2023 was 9.7%, representing an increase of 0.3% from 9.4% for 2022.

### ***Other income***

The Group's other income primarily consists of subsidies from government, interest income from other financial assets at amortised cost, compensation and claims, and dividend income. In 2023, the Group's other income was RMB3.439 billion, decreased by 7.5% from RMB3.716 billion of last year. Such decrease of other income was primarily due to the decrease in dividend income.

### ***Other expenses***

The Group's other expenses primarily includes compensation expenditure, penalty cost and lawsuit expenditure. In 2023, other expenses increased by 14.9% from RMB1.082 billion of last year to RMB1.243 billion, mainly due to the increase in compensation expenditure.

### ***Net impairment losses on financial assets and contract assets***

The Group's net impairment losses on financial assets and contract assets mainly includes impairment losses on trade and other receivables, other financial assets at amortised cost and contract assets. In 2023, the Group's net impairment losses on financial assets and contract assets increased year-on-year by 113.8% to RMB7.147 billion, mainly attributable to the increase in impairment losses on trade and other receivables.

### ***Other gains, net***

The Group's other gains and losses mainly include gains/losses on disposal/write-off of right-of-use assets and property, plant and equipment, foreign exchange gains/losses and gains/losses on disposal and changes in the fair value of financial assets/liabilities through profit and loss. The Group's other gains recorded RMB383 million in 2023, mainly comprised of gains of RMB404 million on disposal/write-off of right-of-use assets.

### ***Losses from derecognition of financial assets at amortised cost***

The Group's losses from derecognition of financial assets at amortised cost mainly include the losses arising on derecognition of trade receivables which were transferred in accordance with asset-backed notes ("ABN") and asset-backed securities ("ABS") issuance, and non-recourse factoring agreements. In 2023, the Group's losses from derecognition of financial assets at amortised cost was RMB5.139 billion, representing an increase of 13.7% from last year. In 2023, the Group transferred trade receivables of RMB67.619 billion and RMB14.765 billion under the issuance of ABN and ABS, and non-recourse factoring agreements, respectively (2022: RMB68.033 billion and RMB16.908 billion, respectively).

### ***Selling and marketing expenses***

The Group's selling and marketing expenses primarily consist of employee compensation and benefits, distribution and logistic costs and advertising costs. In 2023, the Group's selling and marketing expenses amounted to RMB6.850 billion, representing a year-on-year increase of 8.2%. Such increase was mainly due to strengthened marketing efforts and increase in marketing investment. The selling and marketing expenses as a percentage of the total revenue for 2023 was 0.5%, basically remained the same as last year.

### ***Administrative expenses***

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortisation of its assets related to administration. In 2023, the Group's administrative expenses was RMB28.958 billion, representing a year-on-year increase of 9.6%. Such increase was mainly due to the expansion in business scale and increase in business activities, resulting in increase in staff remuneration and travelling expenses. Administrative expenses as a percentage of revenue for 2023 was 2.3%, basically remained the same as last year.

### ***Research and development expenditures***

In 2023, the Group's research and development expenditures increased by 8.1% from RMB27.742 billion of last year to RMB30.000 billion, mainly due to the Group's continuous advancement on scientific research and technological innovation and further increase input in research and development.

### ***Finance costs, net***

In 2023, the Group's net finance costs (finance costs less finance income) was RMB3.181 billion, representing an increase of 32.7% from last year. It was mainly due to the increase in interest expenses charged to profit and loss.

### ***Profit before income tax***

As a result of the foregoing factors, the profit before income tax for 2023 increased by RMB2.889 billion or 6.5% to RMB47.581 billion from RMB44.692 billion for 2022.

### ***Income tax expense***

In 2023, the Group's income tax expense increased year-on-year by 2.3% to RMB9.944 billion. By excluding the impact of land appreciation tax, the effective income tax rate of the Group was 17.7% for 2023, basically remained the same as last year.

### ***Profit for the year attributable to owners of the Company***

In 2023, profit for the year attributable to owners of the Company increased by 7.1% to RMB33.483 billion from RMB31.273 billion for 2022.

## 4.5 Segment Results

The revenue and results of each segment of the Group's business for the year ended 31 December 2023 are set forth in the table below.

Business segment	Revenue <i>RMB million</i>	Growth rate <i>(%)</i>	Profit/(loss) before income tax <i>RMB million</i>	Growth rate <i>(%)</i>	Profit/(loss) before income tax margin <sup>1</sup> <i>(%)</i>	Revenue as a percentage of total <i>(%)</i>	Profit/(loss)
							before income tax as a percentage of total <i>(%)</i>
Infrastructure Construction	1,133,077	11.1	40,748	3.7	3.6	84.0	80.4
Survey, Design and Consulting Services	19,269	-2.7	1,323	-24.5	6.9	1.4	2.6
Engineering Equipment and Component Manufacturing	35,978	-7.4	2,037	-14.2	5.7	2.7	4.0
Property Development	51,563	-4.7	(840)	-42.1	-1.6	3.8	-1.7
Other Businesses	109,785	-1.6	7,469	-4.9	6.8	8.1	14.7
Inter-segment Elimination and Adjustments	(86,260)		(3,156)				
<b>Total</b>	<b><u>1,263,412</u></b>	<b><u>9.4</u></b>	<b><u>47,581</u></b>	<b><u>6.5</u></b>	<b><u>3.8</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>

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

### ***Infrastructure construction business***

Revenue from the Group's infrastructure construction business is mainly derived from construction of railway, highway and municipal works. Revenue from the infrastructure construction business continues to account for a high percentage of total revenue of the Group. In 2023, the revenue from the infrastructure construction business accounted for 84.0% of the total revenue of the Group (2022: 82.0%). In 2023, the Group coordinated and promoted various production and operation tasks, speed up the production and operation progress, and advanced all tasks in a steady and orderly manner. The Group's revenue of infrastructure construction business increased by 11.1% year-on-year to RMB1,133.077 billion. Gross profit margin and profit before income tax margin of the infrastructure construction segment for 2023 was 8.6% and 3.6% respectively (2022: 8.1% and 3.9% respectively). The increase in gross profit margin was mainly due to the Group further promoted large-scale business management and engineering project management efficiency improvement actions, and continued to improve the efficiency capability and level of engineering projects. Profit before income tax margin basically remained the same as last year.

### ***Survey, design and consulting services business***

Revenue from the operation of the survey, design and consulting services business primarily derives from providing a full range of services on survey, design and consulting, research and development, feasibility studies and compliance certification of infrastructure construction projects. In 2023, the Group's survey, design and consulting services business developed sustainably and steadily, with revenue recorded RMB19.269 billion, representing a year-on-year decrease of 2.7%. Gross profit margin and profit before income tax margin for the segment for 2023 was 28.0% and 6.9% respectively (2022: 27.9% and 8.9% respectively). The gross profit margin basically remained the same as last year and the decrease in profit before income tax margin was mainly due to the increase in credit impairment losses and research and development expenditures.

### ***Engineering equipment and component manufacturing business***

Revenue from the operation of the engineering equipment and component manufacturing business primarily derives from the design, research and development, manufacture and sale of turnouts and other railway-related equipment, bridge steel structures and construction machinery. In 2023, the Group continued to increase market development efforts and revenue of the engineering equipment and component manufacturing business of the Group decreased by 7.4% year-on-year to RMB35.978 billion. Gross profit margin and profit before income tax margin was 21.0% and 5.7% respectively for 2023 (2022: 20.0% and 6.1% respectively). The increase in gross profit margin was mainly due to the Group further strengthened the cost control over manufacturing and installation businesses of tunnel construction equipment and steel structures to improve product profitability. Profit before income tax margin basically remained the same as last year.

### ***Property development business***

In 2023, revenue from property development business recorded RMB51.563 billion, decreased by 4.7% year-on-year. Gross profit margin and profit before income tax margin was 12.1% and -1.6% (2022: 12.4% and -2.7% respectively). The decrease in gross profit margin was mainly due to the continued downward trend of the domestic real estate market resulting in decrease in sales prices and the prolongation of sales cycle.

### ***Other businesses***

In 2023, the Group strived to progressively implementing the limited and interrelated diversification strategy, revenue from other businesses decreased year-on-year by 1.6% to RMB109.785 billion in 2023. Gross profit margin for 2023 was 16.6%, basically remained the same as 17.4% for 2022. Profit before income tax for 2023 was RMB7.469 billion (2022: RMB7.856 billion). Among which, ① Revenue from asset operation business was RMB4.063 billion, a year-on-year decrease of 7.9%. ② Revenue from resources utilisation business was RMB9.004 billion, a year-on-year increase of 12.5%. ③ Revenue from merchandise trading business was RMB73.496 billion, a year-on-year decrease of 5.4%. ④ Revenue from financial business was RMB4.403 billion, a year-on-year decrease of 4.7%.

## 4.6 Cash Flow

In 2023, the net cash inflow from operating activities of the Group amounted to RMB38.364 billion, representing a decrease in net cash inflow of RMB5.188 billion from RMB43.552 billion for 2022, mainly attributable to the Group actively took effective measures to strengthen cash flow management and control and continued to maintain a good cash flow level.

In 2023, the net cash outflow from investing activities of the Group amounted to RMB74.640 billion, representing a decrease in net cash outflow of RMB9.748 billion from RMB84.388 billion for 2022, which was mainly due to the decrease in investment in infrastructure investment projects under the intangible asset mode.

In 2023, the net cash inflow from financing activities of the Group amounted to RMB 27.131 billion, a decrease in net cash inflow of RMB69.234 billion from RMB96.365 billion for 2022, which was mainly due to the decrease in the Group's external borrowings and shareholders' investment in infrastructure investment projects.

### *Capital expenditure*

The capital expenditure of the Group primarily comprises expenditure on purchases of equipment and upgrading of the Group's production facilities. The Group's total capital expenditure for 2023 was RMB75.011 billion (2022: RMB103.246 billion), such decrease was mainly due to the capital expenditure in relation with the Group's acquisition of equity interest in Yunnan Dianzhong Water Diversion Engineering Co., Ltd. in 2022.

The following table sets forth the Group's capital expenditure by business segment in 2023.

	Infrastructure construction <i>RMB million</i>	Survey, design and consulting services <i>RMB million</i>	Engineering equipment and component manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Total <i>RMB million</i>
Property, plant and equipment	24,674	513	1,528	1,844	1,008	29,567
Investment properties	172	271	–	707	498	1,448
Intangible assets	187	25	92	11	41,066	41,381
Right-of-use assets	1,564	35	74	396	546	2,615
<b>Total</b>	<b>26,597</b>	<b>844</b>	<b>1,694</b>	<b>2,758</b>	<b>43,118</b>	<b>75,011</b>

## ***Working capital***

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
Inventories	<b>57,153</b>	49,198
Trade and bills receivables	<b>193,674</b>	160,574
Trade and bills payables	<b>588,737</b>	480,430
Turnover of inventory (days)	<b>17</b>	16
Turnover of trade and bills receivables (days)	<b>50</b>	50
Turnover of trade and bills payables (days)	<b>169</b>	153

At the end of 2023, the balance of the Group's inventories was RMB57.153 billion, representing an increase of 16.2% from the end of 2022. The Group's inventory turnover days was 17 days in 2023, basically remained the same as 2022.

### ***Trade and bills receivables***

At the end of 2023, the Group's trade and bills receivables increased by 20.6% from the end of 2022 to RMB193.674 billion while the turnover days of trade and bills receivables was 50 days in 2023, basically remained the same as 2022. According to the ageing analysis of the Group's trade and bills receivables, most of the Group's trade and bills receivables were of less than one year and the trade and bills receivables of more than one year accounted for 26.6% (31 December 2022: 27.6%) of the total receivables, which reflected the sound receivables management capability of the Group.

The following table sets forth the ageing analysis of the Group's trade and bills receivables as at 31 December 2023 and 2022, based on invoice date.

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
Less than one year	<b>142,215</b>	116,291
One year to two years	<b>21,833</b>	19,811
Two years to three years	<b>9,816</b>	7,853
Three years to four years	<b>4,463</b>	5,587
Four years to five years	<b>4,969</b>	3,245
More than five years	<b>10,378</b>	7,787
<b>Total</b>	<b><u>193,674</u></b>	<b><u>160,574</u></b>

### ***Trade and bills payables***

The Group's trade and bills payables primarily consist of amounts owed to the Group's suppliers of raw materials, machinery and equipment. The Group's trade and bills payables increased by 22.5% from end of 2022 to RMB588.737 billion as at the end of 2023. The turnover days of trade and bills payables was 169 days in 2023, an increase of 16 days from 153 days in 2022. According to the ageing analysis of the Group's trade and bills payables, most of the Group's trade and bills payables were of less than one year and the trade and bills payables of more than one year accounted for 7.5% (31 December 2022: 8.5%) of the total payables.

The following table sets forth the ageing analysis of the Group's trade and bills payables as at 31 December 2023 and 2022, based on invoice date.

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
Less than one year	<b>544,622</b>	439,796
One year to two years	<b>23,035</b>	22,478
Two years to three years	<b>10,204</b>	9,311
More than three years	<b>10,876</b>	8,845
<b>Total</b>	<b><u>588,737</u></b>	<b><u>480,430</u></b>

## 4.7 Borrowings

The following table sets forth the Group's total borrowings as at 31 December 2023 and 2022. 26.4% of the Group's borrowings were short-term borrowings (31 December 2022: 28.0%). The Group is generally capable of making timely repayments.

	As at 31 December	
	2023	2022
	<i>RMB million</i>	<i>RMB million</i>
Bank borrowings		
Secured	142,981	120,449
Unsecured	221,184	205,020
	<u>364,165</u>	<u>325,469</u>
Long-term debentures, unsecured	48,968	53,122
Other borrowings		
Secured	1,415	1,895
Unsecured	15,415	11,756
	<u>16,830</u>	<u>13,651</u>
<b>Total</b>	<b><u>429,963</u></b>	<b><u>392,242</u></b>
Long-term borrowings	316,647	282,508
Short-term borrowings	113,316	109,734
	<u>429,963</u>	<u>392,242</u>
<b>Total</b>	<b><u>429,963</u></b>	<b><u>392,242</u></b>

Bank borrowings carry interest rates ranging from 0.50% to 10.88% (31 December 2022: 0.75% to 6.65%) per annum. Long-term debentures carry fixed interest rates ranging from 2.58% to 4.80% per annum (31 December 2022: 2.14% to 4.80%). Other borrowings carry interest rates of 3.06% to 4.43% (31 December 2022: 2.90% to 4.43%) per annum. In 2023, the Group's average cost of financing was 3.88%, representing a year-on-year decrease of 0.06 percentage point.

The following table sets forth the maturity of the Group's borrowings as at 31 December 2023 and 2022.

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
Less than one year	<b>113,316</b>	109,734
One year to two years	<b>52,248</b>	42,096
Two years to five years	<b>77,439</b>	71,435
More than five years	<b>186,960</b>	168,977
<b>Total</b>	<b><u>429,963</u></b>	<b><u>392,242</u></b>

As at 31 December 2023 and 2022, the Group's floating-rate borrowings was RMB253.718 billion and RMB233.856 billion respectively.

The following table sets forth the carrying amounts of the Group's borrowings by currencies as at 31 December 2023 and 2022. The Group's borrowings are primarily denominated in Renminbi and the Group's foreign currency borrowings are primarily denominated in U.S. dollars.

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB million</i></b>	<b><i>RMB million</i></b>
RMB	<b>420,609</b>	383,834
USD	<b>9,178</b>	8,213
Euro	<b>6</b>	10
Others	<b>170</b>	185
<b>Total</b>	<b><u>429,963</u></b>	<b><u>392,242</u></b>

The following table sets forth the details of the Group's secured borrowings as at 31 December 2023 and 2022.

	As at 31 December			
	2023		2022	
	Secured borrowings	Carrying amount of pledged assets and contract value of certain rights	Secured borrowings	Carrying amount of pledged assets and contract value of certain rights
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Property, plant and equipment	1,497	4,171	2,205	3,878
Intangible assets	78,950	106,796	75,252	96,955
Properties under development for sale	4,710	7,697	5,013	13,420
Trade and bills receivables	185	317	414	450
Trade receivables from fellow subsidiaries of the Group	–	–	14	375
Contract assets	59,054	88,039	39,446	63,398
<b>Total</b>	<b>144,396</b>	<b>207,020</b>	<b>122,344</b>	<b>178,476</b>

As at 31 December 2023, the Group's unused credit line facility from banks was RMB2,013.219 billion (31 December 2022: RMB1,505.574 billion). As at 31 December 2023, the Group's gearing ratio (total liabilities/total assets) was 74.9%, representing an increase of 1.1 percentage points from 73.8% as at 31 December 2022.

#### 4.8 Contingent Liabilities

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

	As at 31 December	
	2023	2022
	<i>RMB million</i>	<i>RMB million</i>
Pending lawsuits ( <i>Note 1</i> )		
– arising in the ordinary course of business	4,327	5,116

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

## 4.9 Business Risks

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

- (1) **Real estate investment risk:** This refers to the possibility of incurring losses due to investment returns falling below expectations. This can occur during real estate project development and operation if significant changes occur in external factors such as interest rates, market supply and demand, competition, and relevant policies.
- (2) **Cash flow risk:** This risk arises from increased cash outflows and relatively slower inflows, leading to significant financial pressure. This can result in escalating financing needs, potential delays in payments, investments, or debt repayment, ultimately causing financial losses or reputational damage to the Group.
- (3) **International operation risk:** This refers to the risk that due to the influence of international political situation, foreign policy changes, administrative intervention from government, economic, social, environmental or technological standard changes and other factors, which may cause potential negative impact on the Group's operations, disrupt overseas production and operations, or lead to financial losses and brand damage.
- (4) **Infrastructure Investment Risk:** This refers to the possibility of incurring losses due to investment returns falling below expectations. This can occur during infrastructure investment if significant changes occur in external policies, market environment, and financing conditions.

To prevent the occurrence of various types of risks, the Group carries out assessment, monitoring and early warning of relevant major risks, makes various types of risks correspond to the various business processes through the establishment and operation of the risk management and internal control systems, pursuant to which the Group can decompose and identify the critical control point of business processes, develop specific control measures, establish procedures control lists, implement the responsibilities of the various types of risks and critical control point, work closely with the day-to-day management and control, and control risk factors and elements. In addition, the Group strictly supervises the important control aspects of earlier stage of feasibility study, planning, reviewing, auditing, approval and decision-making; enhances procedure control and post-assessment work, and develops strategies and contingency plans to deal with risks, which guarantees the overall controllability of the Group's various types of risks.

## 5 SIGNIFICANT EVENTS

### 5.1 The Plan for Profit Distribution on Ordinary Shares or Capitalisation of Capital Reserves

#### *5.1.1 Formulation, implementation or adjustment of the cash dividend policy*

##### *(1) Specific policies for profit distribution*

According to the Articles of Association of the Company, the specific policies for profit distribution of the Company are as follows:

- (i) Form of profit distribution: The Company distributes profits in cash, share or a combination of cash and share. The Company can make interim profit distributions when conditions permit.
- (ii) Specific conditions, proportion and interval of the Company's cash dividends: Under the premise of ensuring the Company's continuous operation and long-term development, if the Company is profitable in the year and the accumulated undistributed profit is positive and there are no major investment plans or other major cash expenditures, the Company will distribute the profits in cash after appropriation to the statutory reserves and other reserves in full. In any three consecutive years, the Company's accumulated profits distributed in cash shall not be less than 30% of the annual average distributable profits realized in the three years; the annual profits distributed in cash shall generally not be less than 10% of the distributable profits realized in the year. The Company may not distribute cash dividends under the following special circumstances:
  - ① The auditors issue a non-standard unqualified audit report on the Company's financial report for the year.
  - ② The operating net cash flow is negative in the year.

If the abovementioned conditions for cash dividends are met, the Company in principle shall distribute cash dividends once a year, and the Company's Board of Directors can propose the Company to make interim cash dividends based on the Company's profitability and capital demand.

- (iii) Specific conditions for the Company to issue share dividends:

The Company can propose a share dividend distribution plan when the Company is in good operating condition, and the Board of Directors believes that the Company's share price does not match the Company's share capital and that issuing share dividends is beneficial to the overall interests of all shareholders of the Company, under the premise that the abovementioned conditions for cash dividends are met.

(2) *Implementation of the cash dividend policy during the reporting period*

Profits are distributed in cash under the profit distribution plan of the Company for 2022. Pursuant to the profit distribution plan considered and passed at the 2022 annual general meeting convened on 28 June 2023, a cash dividend of RMB0.2 (tax inclusive) per share based on the total share capital of 24,752,195,983 shares before the implementation of the plan was declared by the Company, totaling RMB4,950,439,196.60 (tax inclusive) and representing 15.82% of net profit attributable to the listed company's shareholders under the consolidated financial statements for the year of 2022 of the Company. The announcement on the profit distribution of H shares was published on 6 July 2023 on the website of Hong Kong Stock Exchange and the website of the Company. The announcement on the profit distribution of A shares was published on 21 July 2023 on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of Shanghai Stock Exchange. As of 10 August 2023, the implementation of the profit distribution plan of the Company for 2022 has been completed.

(3) *Profit distribution plan for 2023*

Pursuant to the relevant provisions of the Company Law and the Articles of Association, taking into account factors such as shareholder returns and the capital requirements of the Company for its business development, and in accordance with the "Resolution on the Profit Distribution Plan for 2023 of the Company" which was adopted at the 38th meeting of the fifth session of the Board, the details of the profit distribution plan are set out below: the retained profits of the parent at the beginning of 2023 were RMB93,713,869,114.06 based on the audited financial report prepared of the Company for 2022. After taking into account the added net profit realized by the parent of RMB14,352,447,113.60 during the year and deducting the cash dividends for 2023 and interest payments on perpetual notes amounting to RMB6,611,537,333.26, and with 10% of the net profit of the parent, i.e. RMB1,435,244,711.36, being appropriated to its surplus reserve, the distributable profit of the parent to shareholders amounted to RMB100,019,534,183.04 as of 31 December 2023. Based on the Company's total share capital of 24,750,629,817 shares as at 28 March 2024, a cash dividend of RMB2.10 per 10 shares (tax inclusive) is proposed to be distributed, and the total amount of such dividend is RMB5,197,632,261.57 (tax inclusive), representing 15.52% of net profit attributable to the Company's shareholders under the consolidated financial statements for the current year of the Company. Upon the distribution, the remaining retained profit of the parent amounting to RMB94,821,901,921.47 will be carried forward to the next year. The profit distribution will be based on the total share capital on the record date for payment of the cash dividend. In the event of change in total share capital of the Company before the record date for payment of the cash dividend, the total distribution amount will be kept unchanged and the rate will be adjusted accordingly. The Company will make a further announcement on the details of the adjustment.

(4) *Information on the profit distribution for 2023*

In 2023, the Company intends to make a cash dividend at 15.52% of net profit attributable to the listed company's shareholders under the consolidated financial statements for the current year of the Company, which is lower than the proportion in the guidelines, mainly based on the following considerations:

(i) Situation and characteristics of the industry of the Company

The construction industry in which the Company operates is a fully competitive industry characterized by intense market competition, generally low gross profit margins, and high gearing ratio. Additionally, the industry experiences substantial accounts receivable and contract asset balances. Construction projects within this industry are typically characterized by their numerous locations, wide geographical distribution, large individual project sizes, and extended production cycles. Consequently, the industry requires significant amounts of working capital to maintain daily operations. According to the 14th Five-Year Plan, a series of major national strategies will form new growth points in the field of infrastructure construction and bring new development momentum to the construction industry.

(ii) The listed company's development stage and its own business model

The Company has deeply integrated itself into national strategies, continuously optimized its regional layout, comprehensively promoted deepening reforms, consistently adhered to high-quality development, and steadily enhanced its global competitiveness and brand influence. In 2023, the Company achieved record highs in both newly signed contracts and operating income, further solidifying its advantages across the entire industry chain. The Company will continue to pursue diversified and collaborative development, intensify efforts in structural adjustment and transformation and upgrading, continuously strengthen the construction of a modern industrial system, and comprehensively accelerate the building a "high-quality China Railway".

(iii) Profitability level and demands on the funds of the Company

In recent years, the Company has maintained a good level of net profit and generated a relatively stable return on investment for its shareholders. For the year of 2023, the Company's net profit attributable to ordinary shareholders of the Company was RMB33.483 billion, increased by 7.07% year on year, the best level in history. As the Company strengthens structural adjustment, transformation and upgrading, actively cultivates emerging business, and actively develops the "second curve" in growth, it requires a lot of financial support. The Company will rationally arrange fund requirements, actively optimize financial structure, constantly improve the efficiency of fund use according to business development needs to continuously enhance the Company's profitability.

(iv) Reasons for the listed company's low level of cash dividends

On one hand, the global economy remains sluggish, while the domestic economy faces both cyclical and structural challenges, creating a complex external environment for businesses. It is objectively necessary to retain earnings to enhance the Company's risk resilience. On the other hand, in order to meet the daily needs in the production and operations, project investment and emerging business development of the Company, it is necessary for the Company to retain sufficient funds to ensure its production and operation capabilities. As the Company accelerates the transformation from high-speed development to high-quality development, its profitability will steadily increase, which will help provide investors with more returns in the future.

(v) The exact purpose of the listed company's retained undistributed profits and estimated earnings

The Company's retained undistributed profits will be used for the Company to seize development opportunities, continue to deepen the Company's strategic transformation, enhance structural adjustment, and seek new growth points. On the basis of consolidating the advantages of traditional business, the Company will actively cultivate emerging business according to the main businesses and market demand, increase capital investment, promote the optimization and upgrading of business structure, enhance the profitability, and provide shareholders with long-term and stable return.

### ***5.1.2 Special explanation of the cash dividend policy***

Was it in compliance with the provisions of the Articles of Association and the resolutions of the general meeting?	√Yes <input type="checkbox"/> No
Were the dividend distribution criteria and proportion well-defined and clear?	√Yes <input type="checkbox"/> No
Were the related decision-making process and mechanism in place?	√Yes <input type="checkbox"/> No
Did independent directors fulfill their duties and play their role?	√Yes <input type="checkbox"/> No
Were the minority shareholders given opportunities to sufficiently voice their opinion and make requests and were the legal interests of the minority shareholders fully protected?	√Yes <input type="checkbox"/> No

### ***5.1.3 If profits for the reporting period and the distributable profit of the Company to ordinary shareholders are positive and no profit distribution plan in cash for the ordinary shares is proposed, the Company should disclose the reasons as well as the use and intended use of the retained profits in details***

Not applicable

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

As of 31 December 2023, the 2021 restricted share incentive scheme of the Company (the “**Incentive Scheme**”) was implemented completely, including the initial grant of 170.7244 million restricted shares on 17 January 2022 and the grant of 11.922 million reserved restricted shares on 2 November 2022. Regarding 5 participants of the initial grant, 2 participants were transferred from the Company and ceased to take office in the Company due to organisational arrangements, 3 participants were disqualified from the Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws, non-compliance of laws, etc.. The Company repurchased and cancelled 1,379,700 restricted shares that had been granted to the above 5 participants but not yet unlocked on 28 December 2022.

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

### ***Purpose of the incentive scheme***

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

### ***Participants of the incentive scheme***

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

### ***Total number of restricted shares available for issue under the incentive scheme and their percentage in the total shares issued as at the date of this announcement***

The number of restricted shares to be granted under the Incentive Scheme is not more than 200,000,000 A shares, of which 180,000,000 A shares are to be initially granted and 20,000,000 A shares are reserved. As at 31 December 2023, the Incentive Scheme was implemented completely. The Company granted 181,266,700 A shares under the Incentive Scheme, and the number of restricted shares issued accounting for approximately 0.88% of the total A share capital and 0.73% of the total share capital of the Company as of the date of this announcement.

### ***Cap of restricted shares available for grant to each participant in the incentive scheme***

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

### ***The period within which the option may be exercised by the grantee under the incentive scheme***

No option which may be exercised was granted under the Incentive Scheme.

### ***Vesting period and lock-up period of restricted shares granted under the incentive scheme***

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

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

The amount payable for the acceptance of restricted shares is the grant price multiplied by the number of restricted shares granted. As of 31 December 2023, the total grant price was RMB645,046,645 (excluding the 1,379,700 restricted shares that were repurchased and canceled by the Company as of 31 December 2023). The incentive participants of the restricted shares of the first grant remitted the payment into the Company's fund-raising special account before the payment deadline of 28 January 2022, and the incentive participants of the grant of the reserved restricted shares remitted the payment into the Company's fund-raising special account before the payment deadline of 16 November 2022.

### ***Basis of determining the grant price***

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

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

### ***The remaining life of the incentive scheme***

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

### 5.3 Performance Status of Undertakings

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

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

- Note 1: For details of the relevant undertakings made by the Company and CREC during the material asset restructuring of China Railway Erju Co., Ltd. (renamed as China Railway Hi-Tech Industry Co., Ltd. in March 2017, stock code: 600528.SH), a subsidiary of the Company, please refer to the Report on the Material Asset Swap and Share Issuance for Asset Acquisition, Fundraising and Related Party Transaction of China Railway Erju Co., Ltd. (Revision) disclosed on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 21 September 2016. The Company and CREC are currently duly complying with all the undertakings.*
- Note 2: The Company issued the Letter of CREC on Changing Undertakings on Certain Contingencies on 25 November 2020, pursuant to which, the performance term of the original undertaking in relation to apply for ownership certificates for defective real estate was changed to long-term undertaking. The Letter was considered and approved by the 2020 first extraordinary general meeting of China Railway Hi-tech Industry Corporation Limited (CRHIC) on 25 December 2020. For details, please refer to the Announcement of CRHIC on Changing the Performance Term of Undertakings on Certain Contingencies by the Controlling Shareholder of the Company disclosed at the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 8 December 2020. The Company is currently duly complying with the relevant undertaking.*
- Note 3: For details of the relevant undertakings made by the Company and CREC during the share issuance for asset acquisition, please refer to the Report on the Share Issuance for Asset Acquisition of China Railway Group Limited (Revision) published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 31 May 2019. The Company and CREC are currently duly complying with all the undertakings.*
- Note 4: In the course of acquiring the control over China Railway Prefabricated Construction, the Company and CREC issued the Letter of Undertaking to Avoid Horizontal Competition with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., Letter of Undertaking to Regulate Related Party Transactions with Beijing Hengtong Innovation Luxwood Technology Co., Ltd., and Letter of Undertaking to Safeguard the Independence of Beijing Hengtong Innovation Luxwood Technology Co., Ltd. Respectively. The above undertakings are continuously effective during the period in which the Company has control over Beijing Hengtong Innovation Luxwood Technology Co., Ltd. The Company and CREC are currently duly complying with the undertakings.*
- Note 5: In the course of spinning off CRHEEC to go listing on the STAR Market, the Company and CREC issued the Letter of Undertaking to Avoid Horizontal Competition, Letter of Undertaking to Reduce and Regulate Related Party Transactions, Letter of Undertaking to Make up for Diluted Immediate Returns, and other letters of undertakings. For details, please refer to the Plan for China Railway Group Limited on the Spin-off of Its Subsidiary China Railway High-speed Electrification Equipment Corporation Limited to Go Listing on the STAR Market (Revision) disclosed on the website of the Shanghai Stock Exchange on 30 September 2020. The Company and CREC are currently duly complying with all the undertakings.*

***5.3.2 If the company has made a profit forecast to its assets or projects, and the profit estimate period is within the reporting period, the company's explanation on whether its assets or projects would meet its profit forecast and the reasons thereof***

Not applicable

***5.3.3 Fulfillment of undertakings and its impact on goodwill impairment test***

Not applicable

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

Not applicable

**5.5 Illegal Guarantee**

Not applicable

**5.6 Explanation of the Company on the "Modified Audit Report" from Auditors**

Not applicable

**5.7 Analysis and Explanation of the Company on the Reasons for and Impacts of the Changes in Accounting Policies or Accounting Estimates or Correction of Material Accounting Errors**

***5.7.1 Analysis and explanation of the company on the reasons for and impacts of the changes in accounting policies or accounting estimates***

Not applicable

**5.7.2 Analysis and explanation of the company on the reasons for and impacts of the correction of material accounting errors**

Not applicable

**5.7.3 Communications with former auditors**

Not applicable

**5.7.4 Others**

Not applicable

**5.8 Appointment and Removal of Auditors**

*Unit: '0,000 Currency: RMB*

**Current engagement**

Name of domestic accounting firm	PricewaterhouseCoopers Zhong Tian LLP
Remuneration of domestic accounting firm	3,310
Term of domestic accounting firm	7 years
Names of the certified public accountants of the domestic accounting firm	Zhao Jianrong, Hu Wei
The continuous period providing auditing services by the certified public accountants of the domestic accounting firm	Zhao Jianrong (2 years), Hu Wei (3 years)
Name of international accounting firm	PricewaterhouseCoopers
Remuneration of international accounting firm	220
Term of international accounting firm	7 years

	<b>Name</b>	<b>Remuneration</b>
Accounting firm for internal control audit	PricewaterhouseCoopers Zhong Tian LLP	180
Financial advisor	/	/
Sponsor	/	/

## ***Explanation on the appointment and removal of auditors***

On 29 and 30 March 2023, two resolutions, namely the Resolution on the Appointment of Auditors for 2023 and Resolution on the Appointment of Internal Control Auditors for 2023 were considered and approved at the 26th meeting of the fifth session of the Board of Directors. For details of the appointment of auditors, please refer to the Announcement of China Railway Group Limited on Renewal of Appointment of Auditors disclosed on the website of the Shanghai Stock Exchange on 31 March 2023. These resolutions were then considered and approved at the 2022 annual general meeting of the Company on 28 June 2023. The Company has engaged PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the auditors of the Company for 2023 and engaged PricewaterhouseCoopers Zhong Tian LLP as the internal control auditors for 2023. For details, please refer to the Announcement of China Railway Group Limited on Resolutions of Annual General Meeting of 2022 disclosed by the Company on the website of the Shanghai Stock Exchange on 29 June 2023.

### **5.9 Risk of Suspension of Listing**

#### ***5.9.1 Reason for suspension of listing***

Not applicable

#### ***5.9.2 Response measures to be adopted by the company***

Not applicable

#### ***5.9.3 Delisting and the reasons thereof***

Not applicable

### **5.10 Matters Relating to Insolvency or Restructuring**

Not applicable

### **5.11 Material Litigation and Arbitration**

The Company had no material litigation or arbitration during the year.

## **5.12 Penalty and Rectification Order against the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders, Ultimate Controller and Acquirer**

Not applicable

## **5.13 Integrity of the Company and its Controlling Shareholders and Ultimate Controllers during the Reporting Period**

During the reporting period, the Company and its controlling shareholder and ultimate controller operated legally by strictly following the provisions of the laws and regulations and normative documents, such as the Company Law and the Securities Law, and duly fulfilled all the undertakings without committing any default.

## **5.14 Significant Related Party Transactions**

### ***5.14.1 Related party transactions in ordinary course of business***

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

(3) *Matters undisclosed in announcement*

*Unit: '000 Currency: RMB*

<b>Related parties</b>	<b>Related relations</b>	<b>Type of related party transaction</b>	<b>Particulars of related party transaction</b>	<b>Pricing method of related party transaction</b>	<b>Price of related party transaction</b>	<b>Amount of related party transaction</b>	<b>Percentage of transaction value to the same type of transactions (%)</b>
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of parent company	Receipt of labor services	Lease of office premises, etc.	Contract price	20,878	20,878	Less than 1%
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of parent company	Receipt of labor services	Receipt of comprehensive services	Contract price	52,431	52,431	Less than 1%
<b>Total</b>					<u>73,309</u>	<u>73,309</u>	

Description of related party transactions

The above two transactions resulted from the implementation during the reporting period of the Premises Leasing Agreement and Comprehensive Services Agreement renewed by the Company and CREC on 30 December 2021. The terms of both agreements are three years. The total transaction amount involved was within the decision-making authority of the Board and was considered and approved at the 12th meeting of the fifth session of the Board, which complied with the relevant requirements of The Rules Governing the Listing of Stock on Shanghai Stock Exchange. Meanwhile, the Premises Leasing Agreement and Comprehensive Services Agreement were exempted from the requirements of reporting, annual review, announcement and independent shareholders' approval as the annual caps of such transactions were within the de minimis exemption under the Hong Kong Listing Rules.

#### **5.14.2 Related party transactions in relation to acquisition and disposal of assets**

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

- (3) *Matters undisclosed in announcement*

Not applicable

- (4) *If agreement upon performance is involved, the performance achievements during the reporting period shall be disclosed*

Not applicable

#### **5.14.3 Significant related party transactions in relation to joint external investment**

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

- (3) *Matters undisclosed in announcement*

Not applicable

#### ***5.14.4 Amounts due from/to related parties***

- (1) *Matters which were disclosed in announcement without subsequent progress or changes*

Not applicable

- (2) *Matters which were disclosed in announcement with subsequent progress or changes*

Not applicable

- (3) *Matters undisclosed in announcement*

Not applicable

#### ***5.14.5 The financial business between the company and its related financial company, and between the financial company held by the company and its related parties***

China Railway Finance Co., Ltd. provides financial services to the Company's controlling shareholder, CREC and its subsidiaries, which enables the Company to use part of its financing funds to improve the efficiency of capital utilization and increase the benefits through the net interest and service fees earned by China Railway Finance Co., Ltd.. The Proposal on the Related Party Transactions of Financial Services Framework Agreement between China Railway Finance Co., Ltd. and China Railway Engineering Group Co., Ltd. was considered and adopted at the 12th meeting of the fifth session of the Board convened by the Company on 22 December 2021, in which it was agreed that China Railway Finance Co., Ltd., a subsidiary of the Company, would renew the Financial Services Framework Agreement (the agreement would expire on 31 December 2024) with CREC, the controlling shareholder of the Company, and provide deposits, loans and other financial services to CREC and its subsidiaries pursuant to the agreement. For details, please refer to the relevant announcement of the Company dated 31 December 2021 disclosed on the website of the Shanghai Stock Exchange. During the reporting period, the daily deposit balance (including interest accrued) of CREC and its subsidiaries with China Railway Finance Co., Ltd. did not exceed the maximum amount stipulated in the Financial Services Framework Agreement; the maximum daily loan balance (including interest accrued) obtained by CREC and its subsidiaries from China Railway Finance Co., Ltd. did not exceed the maximum amount stipulated in the Financial Services Framework Agreement; and the service fee collected by China Railway Finance Co., Ltd. from CREC and its subsidiaries for other financial services did not exceed the maximum amount stipulated in the Financial Services Framework Agreement.

(1) Deposit business

Unit: '000 Currency: RMB

Related Party	Related relationship	Maximum daily deposit limit	Range of deposit interest rate	Opening balance	Amount for the current period		Closing balance
					Total deposits for the current period	Total withdrawals for the current period	
CREC	Parent company		1.265%	593,430	4,642,072	4,621,640	613,862
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiaries of the parent company	20,000,000	1.265%	21,212	2,776,554	2,777,549	20,217
Party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiaries of the parent company		1.265%	12,135	56,288	53,912	14,511
<b>Total</b>				<b>626,777</b>	<b>7,474,914</b>	<b>7,453,101</b>	<b>648,590</b>

(2) Loan business

Unit: '000 Currency: RMB

Related Party	Related relationship	Line of credit	Range of loan interest rate	Opening balance	Amount for the current period		Closing balance
					Total loans for the current period	Total repayments for the current period	
CREC	Parent company	3,500,000	3.3%-3.45%	1,100,000	0	1,100,000	0

(3) *Credit business or other financial business*

*Unit: '000 Currency: RMB*

<b>Related Party</b>	<b>Related relationship</b>	<b>Business type</b>	<b>Total</b>	<b>Amount incurred</b>
CREC	Parent company	Comprehensive credit granting	<u>3,500,000</u>	<u>0</u>

(4) *Others*

*Unit: '000 Currency: RMB*

<b>Item</b>	<b>Related Party</b>	<b>Amount for the current period</b>	<b>Amount of the corresponding period last year</b>
Interest Income	CREC	12,478	44,788
Interest Expense	CREC	23,614	13,887
Interest Expense	China Railway State Assets Management Co., Ltd.	595	1,086
Interest Expense	Party school of China Railway Engineering Group Co., Ltd.	259	205

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

### 5.14.6 Others

#### *Related party guarantees*

*Unit: '000 Currency: RMB*

<b>Guarantor</b>	<b>Secured party</b>	<b>Guarantee amount</b>	<b>Commencement date of guarantee</b>	<b>Expiry date of guarantee</b>	<b>Guarantee fully performed</b>
CREC	China Railway	3,500,000	October 2010	April 2026	No

*Note: These are unconditional and irrevocable joint and several liability guarantees provided by CREC for the entire amount of the 15-year 2010 Corporate Bonds (Tranche 2) issued by the Company in October 2010. In accordance with the agreement on the guarantee period in the Company's "Prospectus for Public Offering of Corporate Bonds", the guarantor shall assume the guarantee liability during the period from the first day of issuance of the bonds to six months after the maturity date of the bonds. As of 31 December 2023, the guarantee liability undertaken by CREC as the guarantor of the 15-year 2010 Corporate Bonds (Tranche 2) has not expired. As at 31 December 2023, the remaining payable amount of the above-mentioned bonds was RMB3,527,937 thousand (31 December 2022: RMB3,526,101 thousand).*

## 5.15 Material Contracts and Their Performance

### *5.15.1 Trusteeship, contracting and leasing*

#### *(1) Trusteeship*

Not applicable

#### *(2) Contracting*

Not applicable

#### *(3) Leasing*

Not applicable

## 5.15.2 Guarantees

Unit: '0,000 Currency: RMB

Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Guarantee fully performed	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
China Railway Group Limited	The Company	Linha Railway Co., Ltd.	39,682.40	30 June 2008	30 June 2008	20 June 2027	Joint and several liability guarantee	Normal performance	No	No	/	Yes	No	/
China Railway No.4 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Xuzhou Yingbin Expressway Construction Co., Ltd.	119,000.00	22 October 2018	30 October 2018	29 October 2028	Joint and several liability guarantee	Normal performance	Equity pledge	No	/	None	No	/
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Qinghai Minmetals China Railway Expressway Construction Management Co., Ltd.	14,850.00	14 January 2020	14 January 2020	30 December 2045	Joint and several liability guarantee	Normal performance	Equity pledge	No	/	None	No	/
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Jiangxi Chengke Yunchuang Real Estate Co., Ltd.	4,026.79	22 September 2021	22 September 2021	21 September 2029	Joint and several liability guarantee	Normal performance	No	No	/	None	No	/
China Railway No.10 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Chongqing CREC Renzhi Pension Industry Co., Ltd.	50,000.00	12 January 2017	12 January 2017	30 November 2024	Joint and several liability guarantee	Normal performance	No	No	/	None	No	/

Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee (date of the agreement)	Commencement of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Guarantee fully performed	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Wuhan Yangsigang Bridge Co., Ltd.	60,491.07	30 May 2016	30 May 2016	25 June 2024	Joint and several liability guarantee	Normal performance	No	No	/	None	No	/
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Shantou Niutianyang Expressway Investment Development Co., Ltd.	8,112.14	14 November 2019	14 November 2019	23 August 2039	Joint and several liability guarantee	Normal performance	Equity pledge	No	/	None	No	/
China Railway Shanghai Engineering Group Co., Ltd.	Wholly-owned subsidiary	Fangchenggang China Railway Diluyuan Investment Development Co., Ltd.	500.00	8 May 2019	8 May 2019	31 December 2030	Joint and several liability guarantee	Normal performance	Equity pledge	No	/	None	No	/
China Railway International Group Co., Ltd.	Wholly-owned subsidiary	MontagProp Proprietary Limited	5,763.00	3 July 2015	3 July 2015	30 June 2024	Joint and several liability guarantee	Normal performance	No	No	/	None	No	/
China Southern Investment Group Co., Ltd.	Wholly-owned subsidiary	Shantou Niutianyang Expressway Investment Development Co., Ltd.	364,234.95	14 November 2019	14 November 2019	23 August 2039	Joint and several liability guarantee	Normal performance	Equity pledge	No	/	None	No	/

Total amount of guarantees incurred during the reporting period (excluding the guarantees provided to subsidiaries)	-64,998.55
Total balance of guarantee as at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)	666,660.35
<b>Guarantees provided by the Company and its subsidiaries to its subsidiaries</b>	
Total amount of guarantees provided to subsidiaries during the reporting period	-530,907.98
Total balance of guarantee provided to subsidiaries as at the end of the reporting period (B)	14,783,873.97
Total amount of guarantees (A+B)	15,450,534.32
Total guaranteed amount as a percentage of net assets of the Company (%)	33.60%
Of which:	
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)	
Amount of debt guarantees directly or indirectly provided to the parties with the gearing ratio exceeding 70% (D)	12,764,586.45
Excess amount of aggregate guarantee over 50% of net assets (E)	
Total amount of the above three types of guarantees (C+D+E)	12,764,586.45
Statement on the contingent joint and several liability in connection with unexpired guarantee	Not applicable
Explanations on guarantees	<ol style="list-style-type: none"> <li>1. The aggregate guarantee included the commitment to make up the difference of RMB91,848.0536 million provided to its subsidiaries;</li> <li>2. As of 31 December 2023, the balance of guarantee of China Railway Group Limited (consolidated) in relation to real estate mortgage was RMB34,860.1199 million.</li> </ol>

### 5.15.3 Management of cash assets entrusted to third parties

#### (1) Entrusted wealth management

##### (i) Overview of entrusted wealth management

Not applicable

##### (ii) Breakdown of entrusted wealth management

Not applicable

##### (iii) Provision for impairment of entrusted wealth management

Not applicable

#### (2) Entrusted loans

##### (i) Overview of entrusted loans

*Unit: '0,000 Currency: RMB*

<b>Type</b>	<b>Source of funds</b>	<b>Amount incurred</b>	<b>Unexpired balance</b>	<b>Overdue outstanding amount</b>
Entrusted loans	Self-owned funds	<u>435,000.00</u>	<u>424,517.65</u>	<u>0</u>

## (ii) Breakdown of entrusted loans

Unit: 0'000 Currency: RMB

Name of trustee	Type of entrusted loan	Entrusted loan amount	Commencement date	Termination date	Source of funds	Target of funds	Determination of returns	Annualized yield rate (%)	Expected gains	Actual gain recognized for the year	Actual gain received for the year	Going through legal procedures or not	Future entrusted loan plan available	(Amount of impairment provision)
Beijingxi Railway Station Branch, ICBC	Entrusted loan	125,424.31	2021/5/14	2041/12/30	Self-owned funds	Inner Mongolia Jitong Railway (Group) Co., Ltd.	By agreement	3.81	4,724.4	0.00	0.00	Yes	No	1,792.49
China Railway Finance Co., Ltd.	Entrusted loan	27,200.00	2021/3/8	2024/3/7	Self-owned funds	Payment of principal and interest by Dianzhong	By agreement	4.79	3,904.56	1,551.86	2,172.61	Yes	No	158.07
China Railway Finance Co., Ltd.	Entrusted loan	7,205.88	2023/3/9	2026/3/8	Self-owned funds	Payment of principal and interest by Cenxi-Cangwu Expressway	By agreement	4.75	1,008.25	293.25	274.05	Yes	No	159.39
China Railway Finance Co., Ltd.	Entrusted loan	16,500.00	2023/3/9	2026/3/8	Self-owned funds	Payment of principal and interest by Yulin-Shenmu highway	By agreement	4.75	2,218.16	645.40	415.37	Yes	No	364.97
China Railway Finance Co., Ltd.	Entrusted loan	20,849.02	2023/3/9	2026/3/8	Self-owned funds	Payment of principal and interest by Pingzheng	By agreement	4.75	2,917.22	848.48	792.93	Yes	No	296.57
China Railway Finance Co., Ltd.	Entrusted loan	64,372.55	2023/3/9	2026/3/8	Self-owned funds	Payment of principal and interest by Miansui Expressway	By agreement	4.75	9,007.08	2,619.74	2,448.20	Yes	No	1,423.88
China Railway Finance Co., Ltd.	Entrusted loan	19,350.00	2023/3/9	2026/3/8	Self-owned funds	Payment by Guangxi Expressway for the acquisition of Yulin-Shenmu Expressway	By agreement	4.75	2,601.30	756.88	706.30	Yes	No	295.10
China Railway Finance Co., Ltd.	Entrusted loan	145,040.20	2023/3/9	2026/3/8	Self-owned funds	Gap of capital dividends from Guangxi Expressway	By agreement	5.23	22,440.39	6,526.57	6,100.33	Yes	No	2,211.92

## (iii) Provision of impairment of entrusted loans

Not applicable

## 5.16 Description of Other Significant Matters That Have a Significant Impact on the Value Judgments and Investment Decisions Made by Investors

### 5.16.1 Material contracts signed during the reporting period

#### (1) Engineering construction business

No.	Signatory	Name of contract	Contract awarded Date of contract	Contract sum (RMB'0,000)	Construction period
<b>Railways</b>					
1	China Railway No. 1 Engineering, China Railway No. 3 Engineering, China Railway No. 4 Engineering China Railway No. 10 Engineering China Railway Shanghai Engineering, China Railway Beijing Engineering	General contracting of sections WSZQ-6, WSZQ-8, and WSZQ-10 for the construction of the civil engineering and auxiliary projects and the relevant project of the Linyi section of the newly built Weifang – Suqian High-speed Railway; General contracting of sections WSZQ-1, WSZQ-3 and WSZQ-5 for the construction of the civil engineering and auxiliary projects and the relevant project of the Weifang – Rizhao section, and construction tender for section WSZQ-02SG of construction the civil engineering and auxiliary projects and the relevant project of the Jiangsu section	December 2023	1,990,476	1,644 calendar days/1,643 calendar days
2	China Railway No. 1 Engineering, China Railway No. 3 Engineering, China Railway No. 10 Engineering China Railway Major Bridge Engineering	General contracting of sections HWZQ-1, HWZQ-2, and HWZQ-5 for the construction of the civil engineering and auxiliary projects and the relevant project of the Anhui section of Hefei – Wuhan High-speed Railway; General contracting of sections HWZQ-2 and HWZQ-4 for the construction of the civil engineering and auxiliary projects and the relevant project of the Hubei section	December 2023	1,660,962	1,644 calendar days

No.	Signatory	Name of contract	Contract awarded Date of contract	Contract sum (RMB'0,000)	Construction period
3	China Railway No. 2 Engineering, China Railway No. 3 Engineering, China Railway No. 4 Engineering, China Railway No. 5 Engineering, China Railway Tunnel, China Railway Shanghai Engineering	Contracting for Sections YYZQ-1, YYZQ-2, YYZQ-3, YYZQ-7, YYZQ-9 and YYZQ-10 for the construction of the civil engineering and auxiliary projects and the relevant project of the newly built Yan'an-Yulin Railway	November 2023	1,446,856	1,826 calendar days
<b>Highway</b>					
1	China Railway No. 1 Engineering, China Railway No. 2 Engineering, China Railway No. 4 Engineering, China Railway No.5 Engineering, China Railway No. 6 Engineering, China Railway Major Bridge Engineering	Three highway projects: Yitong to Gongzhuling to Nong'an section of Changchun Metropolitan Circle Highway, Baishan – Linjiang Expressway; Songjiang River to Changbai section of Fusong – Changbai National Expressway	September 2023	1,101,028	1,460 calendar days
2	China Railway Tunnel	Contracting for section YCTJ-3 for civil construction of Yunnan-Yongping to Changning Expressway (Changning Section)	December 2023	321,131	48 months
3	China Railway Group, China Railway Major Bridge Engineering, China Railway Tunnel, China Railway Guangzhou Engineering	Contracting for section A3 for construction of the Third East Passage Project of Xiamen, Fujian (sections A2, A3, A4, A5)	December 2023	307,181	36 months
<b>Municipal works</b>					
1	China Southern Railway Construction Investment, China Railway No. 4 Engineering, China Railway No. 7 Engineering, China Railway Tunnel	Third Section of North Extension Access Project, Qiaocheng East Road	April 2023	662,047	July 2023 – September 2028
2	China Railway Tunnel, China Railway Liuyuan Engineering	Taizhou One River and Two Banks Synergistic Development Demonstration Zone and Innovation and Entrepreneurship Smart Valley Project (Municipal Supporting Facilities Construction Project)	September 2023	266,046	1,460 calendar days

No.	Signatory	Name of contract	Contract awarded Date of contract	Contract sum (RMB'0,000)	Construction period
3	China Railway No. 10 Engineering and other parties	Jinan Yaoqiang Airport Integrated Transportation Hub Project (Phase 2)	May 2023	263,509	1,293 calendar days
<b>Urban rails</b>					
1	China Southern Railway Construction Investment, China Railway No. 1 Engineering, China Railway No. 2 Engineering, China Railway No. 4 Engineering, China Railway No. 5 Engineering, China Railway No. 6 Engineering, China Railway No. 7 Engineering, China Railway No. 8 Engineering, China Railway No. 9 Engineering, China Railway Tunnel, China Railway Shanghai Engineering, China Railway Beijing Engineering	General Contracting for Construction of Shenzhen Urban Rail Transit Line 22 Phase I Project	December 2023	1,919,929	1,855 calendar days
2	China Railway Group, China Railway (Guangzhou) Investment & Development, China Railway No. 1 Engineering, China Railway No. 2 Engineering, China Railway No. 3 Engineering, China Railway No. 4 Engineering, China Railway No. 6 Engineering, China Railway No. 10 Engineering, and other parties	General contracting for Guangzhou Urban Rail Transit Line 8 north extension project (Jiangfu – Memorial Hall) and simultaneous implementation of construction works	June 2023	776,384	1,785 days
3	China Railway Group, China Railway No. 2 Engineering, China Railway No. 8 Engineering	General contracting for the construction of Chengdu-Deyang Line of municipal (suburban) railway project	May 2023	769,078	1,373 calendar days

(2) *Design and consulting business*

No.	Signatory	Project name	Contract signing date	Contract sum (RMB100 million) (RMB'0,000)	Construction period
1	China Railway Major Bridge Engineering and other parties	Preliminary work and survey and design of Zhejiang section of the newly built Nantong-Ningbo High-speed Railway project	May 2023	46,366	Until both parties have fulfilled their responsibilities under the contract
2	China Railway Consulting	EPC contract for feasibility study and survey design of Shenzhen Urban Rail Transit Line 19 phase I project	December 2023	42,595	Until both parties have fulfilled their responsibilities under the contract
3	China Railway Consulting	Preliminary work and survey and design of the section Zhangjiagang-Suzhou-Zhejiang provincial boundary of the newly built Nantong-Ningbo High-speed Railway project	May 2023	39,300	To 31 November 2028

(3) *Equipment manufacturing business*

No.	Signatory	Owner	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period (months)
<b>Steel structures</b>						
1	China Railway Jiujiang Bridge Engineering	China Railway Yunnan Construction Investment Co., Ltd.	Internal Sale and Purchase Agreement for Spiral Pressure Steel Pipe Project for the Second Stage Supporting Project of Diversion Project for Central Region of Yunnan Province	September 2023	217,046	26 June 2023 – 26 December 2025
2	China Railway Baoji Bridge	Guizhou Bridge Construction Group Co., Ltd.	Contract for Guniuhe Bridge steel structure project for expansion project of Anshun to Panzhou (Guizhou Yunnan Border) section of Shanghai-Kunming National Expressway	November 2023	48,700	24 months

No.	Signatory	Owner	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period (months)
3	China Railway Shanhaiguan Bridge	Rugao Peng Hong Zhan Steel Structure Engineering Co., Ltd.	Section manufacturing (hull section engineering)	November 2023	41,590	Delivery by section
<b>Turnout</b>						
1	China Railway Shanhaiguan Bridge	China Railway No. 8 Engineering	Hangzhou-Wenzhou Railway product purchase contract	January 2023	33,800	As required by Party A
2	China Railway Baoji Bridge	Xicheng Railway Passenger Dedicated Line Shaanxi Co., Ltd.	Material Supply Agreement of XRPDLS for Xi'an – Yan'an Railway	August 2023	23,857	As required by Party A
3	China Railway Shanhaiguan Bridge	CNTT	Baotou – Yinchuan Expressway Turnout Procurement Contract	October 2023	14,303	As required by Party A
<b>Engineering machinery (including track equipment and shields)</b>						
1	China Railway Engineering Equipment	China Railway No. 3 Engineering	Dual Shield TBM purchase agreement for civil construction of river diversion and Han replenishment project and section 2 of hydropower electromechanical installation project	November 2023	49,026	As required by Party A
2	China Railway Engineering Equipment	Cornerstone Jingxin (Tianjin) Financial Leasing Co., Ltd.	Shield machine procurement contract	September 2023	32,322	September 2023 – November 2023
3	China Railway Engineering Equipment	CFHI (Tianjin) Tunnel Engineering Co., Ltd.	Shield machine procurement contract	June 2023	22,500	One month after contract signing

(4) *Property development business*

No.	Project name	Project location	Project type	Planned area (0'000 square meters)
1	Guangzhou smart innovation headquarters relocation development project	Guangzhou, Guangdong	Secondary development	213,139
2	Development project of Plot DX04-0102-6005 & 6007, Block A, Lot 1, Xihongmen Township, Daxing District, Beijing	Daxing, Beijing	Secondary development	93,719
3	Development project of Plot 167-02, Tianlin Subdistrict, Xuhui District, Shanghai	Xuhui, Shanghai	Secondary development	22,280

(5) *Assets operation business*

(i) *Material infrastructure investment projects signed during the reporting period*

No.	Name of contract	Signatory	Contract sum (RMB100 million)	Shareholding of the project company	Construction period	Concession period	Signing date
1	G85G76 Chongqing (Sichuan-Chongqing boundary) to Chengdu Expressway expansion project, Suining to Chongqing Expressway (within Sichuan boundary) expansion project, Dazhu to Dianjiang Expressway (with Sichuan boundary) project	China Railway City Investment and Development Group and other parties (project companies)	673.44	China Railway holding 20%, other parties holding 80% in aggregate	4	29.78	August 2023
2	Zigong to Yongchuan Expressway (with Sichuan boundary) project	China Railway City Investment and Development Group (project company)	122.92	China Railway City Investment and Development Group holding 100%	3	29.82	June 2023
3	PPP project of the newly built Ningbo-Zhoushan Railway	China Railway (Shanghai) Investment Group Co., Ltd. (project company)	269.89	Government contribution representative holds 49%, China Railway holds 24.14%, and other parties hold 26.86%	6	30	January 2023

(ii) Material infrastructure investment projects operated during the reporting period

No.	Name of contract	Signatory	Contract sum (RMB100 million)	Signing date	Time of entering the operation	
					Operation period (years)	period
1	PPP project of Dalian Metro Line 5	China Railway Group Limited and other parties	182.7	March 2017	19.5	March 2023
2	PPP project of Phase I Urban Metro Line 1 of Hohhot City	China Railway Group Limited and other parties	146.79	September 2016	25	December 2019
3	PPP project of the Beijing-Xiongan Expressway (Beijing section)	China Railway Group Limited and other parties	122.1	January 2021	25	December 2023

(6) Emerging business

No.	Signatory	Project name	Contract signing date	Contract sum (RMB'0,000)	Construction
					period
1	China Tiegong Investment and Construction Co., Ltd.	EOD and Supporting Facilities Project for Start-up Area of Shenzhen-Zhongshan Cooperation and Innovation Zone and Ten Thousand Mu Farmland Specialty Agro-ecological Zone in Zhongshan City	January 2023	812,700	Cooperation period for the project: 10 years
2	China Railway No. 4 Engineering, China Railway No. 5 Engineering, China Railway Tunnel	Sections A5 & A6 of Guangdong water resources allocation project in the Beibu Gulf Rim	February 2023	418,477	March 2023-August 2030
3	China Railway Major Bridge Engineering	General Contracting of Design and Construction for Phase II Project of Zhangpu Liua0 Offshore Wind Farm	February 2023	283,368	884 calendar days

### 5.16.2 Strategic framework agreements signed during the reporting period

No.	Signing date	Name of agreement	Investment amount agreed (If any)	Main contents of the Agreement
1	March 2023	Strategic cooperation agreement between the Wuhan Municipal People's Government and China Railway Group Limited	None	<ol style="list-style-type: none"> <li>1. urban renewal, old city transformation, comprehensive urban development investment and construction;</li> <li>2. major urban infrastructure, comprehensive transportation field investment and construction;</li> <li>3. rail transportation system construction;</li> <li>4. ecological environment investment and construction.</li> </ol>
2	April 2023	Strategic cooperation agreement between Xiongan New Area Administrative Committee and China Railway Group Limited	None	Based on the principle of “complementary advantages and win-win cooperation”, the two sides will carry out cooperation in various fields, such as the relocation of non-capital functions from Beijing, urban infrastructure, public service facilities, district development, rail transportation, new urbanization, upgrading of counties, and the research, development and manufacturing of high-end equipment. China Railway will take Xiong'an New Area as a key investment area, and give full play to its advantages in branding, technology, management, investment and financing under the overall coordination and support of the Xiong'an New Area Administrative Committee. Over the next five years, China Railway plans to provide full support to the construction and development of the Xiong'an New Area, so as to provide better service to the implementation of the country's major strategies.
3	May 2023	Strategic cooperation agreement between the Jiangsu Provincial People's Government and China Railway Group Limited	None	Taking Jiangsu Province as a strategic center in the eastern region, China Railway will actively provide planning, survey, design, equipment manufacturing, construction, maintenance, operation, investment and financing services for the major infrastructure in Jiangsu Province, in order to promote the development of high-quality resources in Jiangsu, and contribute to the high-quality development of Jiangsu Province's economy and society. Jiangsu Province will create a first-class business environment and provide support for China Railway's development in Jiangsu in terms of project access, approval services and essentials guarantee.
4	December 2023	Strategic cooperation agreement between China Three Gorges Corporation and China Railway Group Limited	None	We will actively serve the development of the Yangtze River Economic Belt and other major national strategies and key tasks, give full play to our respective strengths, and jointly commit to cooperation in clean energy development and construction, ecological environment improvement, equipment R&D and manufacturing, and overseas business.

### 5.16.3 Particulars of material properties

#### (1) Property held for development

Name of building or project	Address	Current land use	Area		State of completion	Expected completion date	Interests of the Company and its subsidiaries
			(0'000 sqm)	Floor area (0'000 sqm)			
China Railway Yuetangfu	Phase 1, Qujiang New Area, Xi'an	Residential land	2.08	8.19	Under construction	2025	100%
China Railway Excellence	The area under the direct jurisdiction of Chengdu, Tianfu New District, Chengdu, bordered by Huaqing Road to the south, Kezhi Road to the west, and Luxikou North Road to the east	Residential land	12.85	39.59	Under construction	2025	100%
China Railway Yuejianglai project	Nansha Tingjiao area, District, Guangzhou, east to planned Road, south to Fengting Avenue, west to the planned road, north to the planned road	Mixed commercial and residential land	5.79	24.42	Under construction	2026	100%
China Railway Hongqiao Yidu	Lane 1758, Huqingping Highway, Xujing Town, Qingpu District, Shanghai	Residential land	6.04	15.4	Under construction	2024	100%
China Railway Xingchuang Yijing	Huangcun Town, Daxing District, Beijing	Residential land	5.44	19.06	Under construction	2024	65%
China Railway Changchun Expo City	No.6888 Yongchun Street, Yongchun Town, Chaoyang District, Changchun City, Jilin Province	Residential land, other land for commercial use, land for cultural facilities	232.71	447.16	Under construction	2031	90%

(2) *Property held for investment*

Name	Location	Use	Tenure	Interests of the Company and its subsidiaries
Beijing Nuode Center Phase III Building S1, S2, 16 and 19	No. 1 South Yuren Road, Fengtai District, Beijing	Commercial	November 2054	100%
Tianjin Nuode Center No. 1 Building, No. 2 Building and equipped facilities	No. 50 Lvwei Road, Hebei District, Tianjin	Commercial	January 2054	100%
Guiyang Huaguoyuan Shopping Center	Huaguoyuan, Nanming District, Guiyang City, Guizhou Province	Commercial	April 2052	100%
Guangzhou Nuode Center	No. 477 East Hanxi Avenue, Nancun Town, Panyu District, Guangzhou City, Guangdong	Commercial	May 2053	100%
Lot AT090904, Starting Area, Financial City, Tianhe District	Lot AT090904, Starting Area, Financial City, Huangpu Avenue, Tianhe District, Guangzhou City, Guangdong	Commercial	December 2068	100%
Chengdu Nuode No. 1	Intersection of Guangxi Road and Huanhu Road, Shuangliu District, Chengdu City, Sichuan	Commercial	January 2065	100%
Shanghai Nuode International Plaza	3/5 Block, 219 Lane, Xinzhuang Town, Minhang District, Shanghai	Commercial	March 2064	100%
China Railway Real Estate Qingdao Center	No. 8 Hong Kong Middle Road, South City District, Qingdao, Shandong	Commercial	July 2046	100%
Reeda Plaza	No. 46 South Shengli Road, Heping District, Shenyang, Liaoning	Commercial	April 2051	100%
China Railway South Headquarters Building	No. 3333 Houhai Center Road, Nanshan District, Shenzhen, Guangdong	Commercial	December 2046	100%

## 5.17 Environmental Information

Whether environmental protection related mechanisms is established	Yes
Funds invested in environmental protection during the Reporting Period (RMB ten-thousand)	368,605.95

### ***5.17.1 Description of environmental protection efforts of the highly polluting companies and their subsidiaries as announced by the environmental protection authorities***

Not applicable

### ***5.17.2 Description of environmental protection efforts of companies other than highly polluting companies***

#### *(1) Administrative penalties due to environmental issues*

In 2023, individual projects under the Company's subsidiaries were subject to administrative penalties by local environmental protection regulatory authorities in the course of construction due to dust, sewage discharge and land use violations. The penalty totaled approximately RMB3.7937 million and involved 5 construction project departments. At present, all the penalties have been rectified and accepted by local regulatory authorities. The Company will further strengthen the Company's ecological and environmental protection. By identifying and evaluating the environmental factors of projects under construction and workplaces, the Company will strengthen the control over the risk sources and emissions of ecological and environmental pollution during production, to effectively protect and improve the living and ecological environment.

#### *(2) Disclosure of other environmental information with reference to highly polluting companies*

Not applicable

#### *(3) Reasons for not disclosing other environmental information*

Not applicable

### ***5.17.3 Information on ecological protection, pollution prevention and fulfilment of environmental responsibilities***

The Company has strictly implemented the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China, thoroughly implemented Xi Jinping's thoughts on ecological civilization under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strove to achieve the goal of "3060" targets of carbon peaking and neutrality, insisted on the concept of lucid waters and lush mountains are invaluable assets, and taken the fresh development stage into full consideration by following an innovative development philosophy and shaping new development patterns. The Company has solidly advanced the construction of ecological civilization, strove to overcome the challenges brought by peak carbon dioxide emissions and carbon neutral by focusing on the strategic positioning of "China Railway in Five Types", "123456" development strategy and strategic goals of "Four Strong Capabilities and Five Excellent Aspects" and "World Class", and brought green development concept into all aspects and stages of its development. The Company, taking energy-saving technology innovation as support, and energy-saving management and energy resources utilization as focus, has improved risk prevention and pollution emergency response capability, steadfastly followed the high-quality, green and low-carbon development path by putting ecology first, and improved its green construction level. The Company revised the "Supervision and Management Regulations on Energy Conservation and Ecological and Environmental Protection of China Railway Group Limited" and set up the "Leadership Group on Responding to Climate Change and Energy Conservation and Emission Reduction" in order to comprehensively propel green and low-carbon transformation development, and continuously improve the capability of supplying high-quality green products and services. Based on systematic environmental management, the Company has obtained ISO14001 environmental management system certification issued by China Certification Center Inc.

The main energy consumed by the Company is electricity, gasoline, diesel fuel and natural gas used in the construction and office processes. The Company has been promoting energy saving and efficiency enhancement solidly. In accordance with the provisions of the Regulations on the Supervision and Management of Energy Saving and Emission Reduction and the "14th Five-Year Plan" for Energy Conservation and Emission Reduction, the Company has issued the Quantitative Indicators of Energy Saving and Ecological Environment Protection for 2023. In 2023, the comprehensive energy consumption (comparable price) per RMB ten-thousand operating income of the Company was 0.0415 ton of standard coal/RMB ten-thousand, down 3.26% from the same period of last year; and the CO<sub>2</sub> emissions was 0.1453 tons/RMB ten-thousand, down 3.26% from the same period of last year, accomplishing the annual target of energy conservation and environmental protection in 2023. The following table shows the specific energy consumption:

## Key Performance Indicators of Energy and Resource Consumption

Energy/resource type	Indicators	Year-on-year increase or decrease		2022
		2023		
Direct energy consumption	Gasoline (ten-thousand tonnes)	<b>53.8165</b>	7.62%	50.0052
	Gasoline (ton/RMB ten-thousand)	<b>0.0043</b>	-5.9%	0.0046
	Diesel (ten-thousand tonnes)	<b>177.0350</b>	5.68%	167.5264
	Diesel (ton/RMB ten-thousand)	<b>0.0142</b>	-5.1%	0.015
	Natural gas (ten-thousand standard m <sup>3</sup> )	<b>6,875.5</b>	-8.98%	7,160.4
	Natural gas (m <sup>3</sup> /RMB ten-thousand)	<b>0.55</b>	-16%	0.66
Indirect energy consumption	Electricity (ten-thousand kwh)	<b>1,185,613</b>	4.9%	1,130,796
	Electricity (ten-thousand kwh/RMB ten-thousand)	<b>0.0095</b>	-8.2%	0.0104
Comprehensive energy consumption	Comprehensive energy consumption (ten-thousand tonnes of standard coal)	<b>507.557</b>	5.2%	482.32
	Comprehensive energy consumption (tons of standard coal/RMB ten-thousand income)	<b>0.0415</b>	-3.26%	0.0429
	Comprehensive energy consumption (ten-thousand kwh)	<b>4,129,874</b>	5.2%	3,924,515
	Comprehensive energy consumption (kwh/RMB ten-thousand income)	<b>332</b>	-7.9%	361
Water	Total new water consumption (ten-thousand tonnes)	<b>46,050.65</b>	-0.12%	46,105.66

*Note: Based on business characteristic of the Company, it is not applicable to calculate energy consumption density using unit of production (UOP) or per facility. Therefore, the Company adopts comprehensive energy consumption (comparable price) per RMB ten-thousand operating income to calculate and disclose energy consumption density.*

#### ***5.17.4 Measures taken to reduce carbon emissions during the reporting period and their effects***

Whether to adopt carbon reduction measures	Yes
Reduction in CO2 emission density (ton/RMB ten-thousand)	3.26%
Types of carbon reduction measures (e.g. using clean energy to generate electricity, using carbon reduction technologies in production, developing new products that can help reduce carbon, etc.)	Strengthening the research and development of energy-saving and low-carbon technologies, increasing the use of clean energy, and promoting the low-carbon transformation of the energy structure

To implement the national guidelines and policies regarding energy conservation and emission reduction, the Company thoroughly implemented the concept of green development, promoted green planning and design, introduced a full life cycle green design mode, controlled energy consumption at the source, and instilled the concept of green, low-carbon, and ecological design into the entire process of engineering planning and design. The Company put emphasis on the construction of the system of energy conservation and ecological environment protection. To that end, the Company continued strengthening the identification and evaluation of key environmental factors in construction projects and operation sites, formulated and implemented environmental management plans, and established the ecological and environmental monitoring system. In addition, the Company cemented the management of ecological and environmental risk sources and pollutant emission control during operation, and conducted continuous supervision and inspection. First, the system of energy conservation and ecological environment protection was improved comprehensively. The Company launched a special project to improve safety, quality and environmental protection. In response to the new requirements for improving the management system of energy saving and environmental protection, the Company revised and released the supervision and management regulations on energy conservation and environmental protection, to improve the management system of energy saving and environmental protection and its management work. Second, the statistical monitoring system for energy conservation and ecological environment protection has been steadily improved. The Company upgraded the China Railway's energy conservation and ecological environment protection system, and has made online filling a norm. The Company carried out the "MRV" carbon footprint system research, and steadily promoted the carbon peaking action. Third, the Company strictly tested waste emissions for ecological environment protection. The year 2023 marked the first year after the pandemic relief, and CRHIC, an industrial manufacturing enterprise of the Company, which is required to discharge pollutants in strict accordance with the discharge permit requirements, and re-examine the discharge from existing factories. The Company carried out routine monitoring in accordance with the requirements of emission permits or environmental impact assessment documents, and the emission monitoring was entrusted to a third-party testing company with CMA certification for environmental monitoring. The monitoring data in 2023 were all in line with the present value of current emission standards.

## Key Performance Indicators of Emissions and Waste

Indicators	Year-on-year increase or decrease		2022
	2023		
Total amount of CO <sub>2</sub> emission (ten-thousand tonnes)	<b>1,727.7111</b>	5.8%	1,632.9429
CO <sub>2</sub> emission density (ton/RMB ten-thousand)	<b>0.1453</b>	-3.26%	0.1502
NOx emission (ton)	<b>4.24</b>	1.89%	4.32
Smoke (powder) emission (ton)	<b>52.87</b>	-14.73%	62
VOC emission (ton)	<b>27.93</b>	27.93%	43.57
SO <sub>2</sub> (ton)	<b>0.31</b>	10.71%	0.28
Total amount of hazardous waste (ton)	<b>1,400</b>	4.47%	1,340
Discharge of hazardous waste per RMB ten-thousand (kg/RMB ten-thousand)	<b>0.011</b>	-6.1%	0.012
Total amount of non-hazardous waste (ten-thousand tonnes)	<b>515.78</b>	1.96%	508.85
Discharge of non-hazardous waste per RMB ten-thousand (kg/RMB ten-thousand)	<b>0.041</b>	-17%	0.05

Notes: 1. The Company is a construction enterprise, and the carbon dioxide emissions are indirect greenhouse gas emissions from energy.

2. Emissions of NOx, SO<sub>2</sub>, smoke (powder) and VOC are calculated based on the emissions permits, and the calculation is based on the emission data of CRHIC, an industrial manufacturing enterprise of the Company.

3. Due to rounding, individual item figures may differ slightly from the total. In order to further review the emission data, the Company continued to improve the environmental protection statistical monitoring capabilities. After verification and analysis, the emissions of volatile organic compounds, sulfur dioxide and other pollutants in industrial workshops were estimated at the lowest value of the monitoring data in the fourth quarter, resulting in deviations between the two pollutant values and the actual emission values. Contaminated with paint and other hazardous waste and non-hazardous waste of steel scraps produced every year were not all disposed of in the year, and some waste temporarily stored in the designated warehouse was not included in the statistical scope of the year, resulting in a difference in the total statistical value of waste. In order to ensure the accuracy of the data disclosure of the listed company, the Company further standardized the statistics of emissions and waste at the end of 2023, and re-collected, re-counted and revised the data of emissions and waste of 2022.

For details about the Company's fulfillment of ecological protection, pollution prevention and control, and environmental responsibilities, please refer to the 2023 Social Responsibility Report and the Environmental, Social and Governance Report of China Railway Group Limited published by the Company on the website of Shanghai Stock Exchange at the same time as this announcement.

## 5.18 Social responsibility commitments

### ***(1) Whether social responsibility reports, sustainability reports or ESG reports are disclosed separately***

As a leader in the construction industry, the Company never forgets its mission of becoming a practitioner, promoter and pioneer of corporate social responsibility. The Company started to construct a scientific, standardized, systematic and effective management system of corporate social responsibilities in 2008, planning social responsibilities in ten aspects, namely governance in accordance with the law, quality services, efficiency creation, employee development, safety supervision, scientific and technological progress, environmental protection, public welfare undertakings, win-win cooperation, and overseas responsibility, and rolling out a series of social responsibility management activities covering its headquarters and subsidiaries in order to achieve the goals of comprehensive coverage, down-to-earth implementation, steady perfection and industrial leading, and make continuous and irreplaceable contributions to the society.

CREC revised and issued the “Guidelines for Fulfilling Social Responsibility (ESG) with High Standards”, providing institutional guarantee for the Company to further perform social responsibility with high quality. We have prepared and released the Company’s 15th ESG and social responsibility report, which was highly praised by the capital markets of Shanghai and Hong Kong. Cases such as “Striving to become the “Practitioner” of ESG International Standards” won the ESG Best Practice Award of the China Association for Public Companies and the “ESG Excellent Cases of Chinese Enterprises” Award of China Enterprise Reform and Development Society, marking a further increase in the capital market value of the Company. The Company was successfully selected in the “State-owned Enterprises ESG Pioneer 100 Index”, and the three cases were respectively selected in the State-owned Enterprises Social Responsibility Blue Book, the ESG Blue Book, and the Overseas Social Responsibility Blue Book, fully demonstrating the due responsibility and market recognition of China Railway’s active practice of social responsibility and promotion of sustainable and high-quality development.

For details about the Company’s fulfillment of social responsibilities, please refer to the 2023 Social Responsibility Report and the Environmental, Social and Governance Report of China Railway Group Limited published by the Company on the website of Shanghai Stock Exchange at the same time as this announcement.

(2) *Social responsibility commitments*

<b>External donations, public welfare projects</b>	<b>Quantity/ Content</b>	<b>Description</b>
Total investment (RMB ten-thousand)	9,458.23	We have invested free funds and materials to many areas receiving assistance such as Rucheng County, Guidong County, Baode County and Changdu City, and to social welfare.
Of which: funds (RMB ten-thousand)	9,241.85	It was mainly used for five major revitalization projects, namely industry, talents, culture, ecology and organization, as well as social welfare.
Cash converted from materials (RMB ten-thousand)	216.38	It aimed to donate supplies, equipment, and materials to areas receiving assistance and to public welfare projects.
Number of beneficiaries (persons)	142,000	Including the number of people in Rucheng County, Guidong County, Baode County and Changdu City targeted for assistance in terms of industry coverage, “securing access to compulsory education, basic medical services and safe housing”, talent training and consumer assistance, as well as the number of people covered by public welfare programs.

*Specific description*

The Company highly values giving back to the society while developing itself, and actively undertakes social responsibility. In 2023, the Company invested a total of RMB94.5823 million in external donations and public welfare projects, including RMB92.4185 million of capital and RMB2.1638 million of cash converted from materials. The Company demonstrated its role as a central enterprise in advancing rural revitalization, participating in 317 disaster relief and rescue operations around the country. In addition, three professional emergency rescue teams of the national tunnels have been deployed 15 times throughout the year, solving difficulties for the local government and the people. The Company encouraged its employees to participate in voluntary activities, supported basic education, and attached importance to the heritage and protection of Chinese culture, contributing its share to the construction of a harmonious and beautiful society.

## 5.19 Work of consolidating and expanding poverty alleviation results and rural revitalization

Poverty alleviation and rural revitalization projects	Quantity/ Content	Description
Total investment (RMB ten-thousand)	8,440	Among them, RMB5 million was invested to support the development of camellia sinensis var in Rucheng County; RMB20 million was invested to build the second 5MW photovoltaic power station in Baode County; RMB20 million was invested to support the planting of Ilex asprella in Guidong County; RMB15 million was invested in Rucheng County for supporting the characteristic industries and improving living environment of the county; and RMB18 million was invested to assist in the construction of schools and health centers in Karuo District of Changdu City.
Of which: Funds (RMB ten thousand)	260	
Cash converted from materials (RMB ten thousand)	180	Donated supplies for pandemic prevention
Number of beneficiaries (persons)	135,000	Helped lift people out of poverty
Forms of assistance (such as industrial assistance, employment assistance, education assistance, etc.)	Industrial assistance, employment assistance, education assistance, etc.	Throughout the year, the Company trained 4,514 grassroots cadres in total, 1,804 leaders in rural revitalization, and 23,852 professional technical personnel; purchased and helped the sale of RMB50.288 million of agricultural products throughout the year, of which RMB26.2955 million was generated from agricultural products of targeted assistance counties, and RMB23.992 million was generated from agricultural products of other areas out of poverty. The Company also organized the third training course of CREC for primary level Party branch secretaries of villages receiving targeted poverty alleviation assistance, with 71 persons receiving training.

### ***Specific description***

In 2023, China Railway fully implemented the spirit of the 20th CPC National Congress and the Second Plenary Session of the 20th CPC Central Committee, thoroughly studied and implemented General Secretary Xi Jinping's important exposition on comprehensively promoting rural revitalization, and conscientiously fulfilled its responsibility of offering assistance to the countryside in accordance with the decision-making and deployment of the Central Committee of the CPC and the State-owned Assets Supervision and Administration Commission (SASAC). The Company implemented various tasks in an orderly manner, aligned efforts to consolidate and expand the achievements in poverty alleviation with efforts to promote rural revitalization, and continued to contribute to the modernization of agriculture and rural areas and acceleration of making China an agricultural power. In 2023, China Railway selected 6 cadres assuming temporary posts, invested RMB79.049 million in targeted assistance funds and attracted RMB671 million of assistance funds. China Railway trained 30,170 persons, purchased and helped sell RMB50.288 million of agricultural products, and built 24 rural revitalization demonstration points. The results of targeted poverty alleviation efforts were remarkable. Three cases, including “‘Half a Quilt’ Warms People’s Heart, ‘Following the Decisions of Villagers in Four Situations and Relying on Villages in Six Situations’ Promote Revitalization”, have been awarded as excellent cases of rural revitalization of listed companies in China. Comrade Yan Jianbo, the first secretary of Tuanwo Village, Baode County, was honored as the “Model First Secretary among Resident Officials in the Village of Shanxi Province”. In May 2023, the advanced deeds of Yan Jianbo were published by Economic Daily.

Firstly, the Company made sustained efforts to increase support for industries. The Company continued to invest RMB5 million to support the development of the camellia sinensis var industry of Rucheng County, and stimulated the enthusiasm of local tea farmers in tea tree planting. The Company continued to invest RMB20 million to Muta Village to build the second 5MW photovoltaic power station project in Baode County to use the power generation proceeds to fuel the development of local public welfare undertakings and the support for poverty-stricken households. The Company invested RMB20 million to support Guidong County in planting Ilex asprella, so as to build it into the hometown of Ilex asprella. Secondly, the Company implemented the “Harmonious and Beautiful Village” project in greater depth. The Company invested RMB15 million in Rucheng County. More than 1,500 mu of Echeveria ‘White Lotus’ industry base, 1,000 mu of rapeseed flower base, and more than 100 mu of sunflower base were built. The Company invested RMB100,000 in Baode County to promote the project of tap water supply to households and the project of solar street lamps in Tuanwo Village, with households’ access to tap water reaching 100% and solar street lamps basically covering the whole village. The Company introduced agricultural enterprises to Rucheng County to build 1,200 meters of farm road for a village free of charge and led villagers to improve more than 300 mu of abandoned arable land. The Company successively carried out elderly-oriented improvement for 88 households with the elderly in difficulty, upgraded 11 community-based elderly care service centers, and built 6 elderly canteens, benefiting 16,800 people. Thirdly, the Company provided more training to empower assistance. The Company organized seven rural

revitalization management personnel and cadres assuming temporary posts to participate in the Online Course of State-owned Enterprises for Improving the Ability of Cadres in Rural Revitalization” of Dalian Senior Cadre Management Institute. The Company joined hands with Zhongzhi Training Institution and successfully organized the third training course of CREC for primary-level Party branch secretaries of villages receiving targeted poverty alleviation assistance. In 2023, China Railway helped 247 people get employed through transfer of employment and recruited 488 laborers out of poverty. Fourthly, the Company strengthened primary-level Party building work. The Company invested RMB50,000 as the funding for Party building work in Tuanwo village, Baode County, and carried out the “Special Action of Improving Party Building and Enhancing Primary-level Governance Capability”. The Company developed in-depth training sessions of education on the history of revolution, and offered well-prepared courses on the history of revolution. Making full use of local “red resources” such as the place where the Three Rules and Six Notices were promulgated, the place where the Sixth Armies of the Red Army vowed to march to the west before a stockaded village in Guidong County, the former site of the enlarged meeting of the Front Committee of the Jinggang Mountains Party Branch (Guidong Conference), and the former residence of Deng Liqun, the Company organized patriotism education, revolutionary tradition education, and study of the history of revolution and training for Party members and cadres, as well as primary and secondary school students. Fifthly, the Company increased support for assistance by boosting consumption. The Company completed consumption assistance of nearly RMB18 million through the “Spring Action” and “Agricultural Week Action”. The Company invited Tang Yi, an online singer, to participate in Rucheng County-Red Shazhou Prunus Salicina Var. Cordata Public Welfare Live Streaming Event to help farmers sell their agricultural products. In this event, the sales of Prunus salicina var. cordata reached 200,000 tons, accounting for 1/3 of the annual production. The Company established 100 network sales outlets in Guidong County to help boost the sales of specialty products, including yellow peach of Guidong County, Premium Short Grain Rice and Linglong tea. The online sales of county’s agricultural products increased by nearly RMB8 million.

## 6 FINANCIAL REPORT

### Consolidated Income Statement

	Note	Year ended 31 December	
		2023 RMB million	2022 RMB million
Revenue	3	1,263,412	1,154,349
Cost of sales and services		<u>(1,140,726)</u>	<u>(1,045,459)</u>
<b>Gross profit</b>		<b>122,686</b>	108,890
Other income	4	3,439	3,716
Other expenses	4	(1,243)	(1,082)
Net impairment losses on financial assets and contract assets	5	(7,147)	(3,343)
Other gains, net	6	383	615
Losses from derecognition of financial assets at amortised cost	7	(5,139)	(4,520)
Selling and marketing expenses		(6,850)	(6,328)
Administrative expenses		(28,958)	(26,413)
Research and development expenditures		<u>(30,000)</u>	<u>(27,742)</u>
<b>Operating profit</b>		<b>47,171</b>	43,793
Finance income		8,712	7,180
Finance costs		(11,893)	(9,578)
Share of post-tax losses of joint ventures		(1,075)	(1,437)
Share of post-tax profits of associates		<u>4,666</u>	<u>4,734</u>
<b>Profit before income tax</b>		<b>47,581</b>	44,692
Income tax expense	8	<u>(9,944)</u>	<u>(9,725)</u>
<b>Profit for the year</b>		<b><u>37,637</u></b>	<b><u>34,967</u></b>
<b>Profit attributable to:</b>			
– Owners of the Company		33,483	31,273
– Non-controlling interests		<u>4,154</u>	<u>3,694</u>
		<b><u>37,637</u></b>	<b><u>34,967</u></b>
<b>Earnings per share for profit attributable to owners of the Company</b> (expressed in RMB per share)			
– Basic	9	1.294	1.198
– Diluted	9	1.292	1.198

## Consolidated Statement of Comprehensive Income

	Year ended 31 December		
	Note	2023	2022
		RMB million	RMB million
<b>Profit for the year</b>		<b>37,637</b>	34,967
<b>Other comprehensive (expenses)/income, net of income tax</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of retirement and other supplemental benefit obligations		13	(12)
Income tax relating to remeasurement of retirement and other supplemental benefit obligations		(1)	2
Changes in the fair value of equity investments at fair value through other comprehensive income		(184)	93
Income tax relating to changes in the fair value of equity investments at fair value through other comprehensive income		46	(20)
		<u>(126)</u>	<u>63</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(98)	158
Share of other comprehensive income of associates		156	675
		<u>58</u>	<u>833</u>
Other comprehensive (expenses)/income for the year, net of tax		<u>(68)</u>	<u>896</u>
<b>Total comprehensive income for the year</b>		<b><u>37,569</u></b>	<b><u>35,863</u></b>
<b>Total comprehensive income for the year attributable to:</b>			
– Owners of the Company		33,398	32,117
– Non-controlling interests		4,171	3,746
		<u>37,569</u>	<u>35,863</u>

## Consolidated Balance Sheet

	Note	As at 31 December	
		2023	2022
		RMB million	RMB million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		136,392	118,250
Right-of-use assets		14,240	14,603
Deposits for acquisition of property, plant and equipment		872	1,918
Investment properties		17,082	15,224
Intangible assets		183,484	155,137
Mining assets		3,206	3,376
Contract assets		242,534	203,132
Investments in joint ventures		60,322	55,122
Investments in associates		63,305	54,611
Goodwill		1,676	1,771
Financial assets at fair value through other comprehensive income		18,267	14,945
Other financial assets at amortised cost		26,277	19,139
Financial assets at fair value through profit or loss		18,929	13,543
Deferred tax assets		13,166	12,225
Other prepayments		645	1,065
Trade and other receivables	11	23,198	30,508
		<u>823,595</u>	<u>714,569</u>
<b>Current assets</b>			
Properties held for sale		54,613	56,979
Properties under development for sale		107,595	101,694
Inventories		57,153	49,198
Financial assets at fair value through other comprehensive income		1,078	766
Trade and other receivables	11	293,750	252,672
Contract assets		234,191	169,735
Current income tax recoverable		4,611	3,849
Other financial assets at amortised cost		8,487	14,777
Financial assets at fair value through profit or loss		9,015	10,312
Restricted cash and term deposit with maturity over three months		38,363	33,597
Cash and cash equivalents		196,150	204,987
Assets classified as held for sale		689	–
		<u>1,005,695</u>	<u>898,566</u>
<b>Total assets</b>		<u><u>1,829,290</u></u>	<u><u>1,613,135</u></u>

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>RMB million</b>	<b>RMB million</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		24,752	24,752
Shares held for 2021 Restricted Share Incentive Scheme		(576)	(612)
Share premium and reserves		258,498	231,296
Perpetual notes		49,712	45,621
		<u>332,386</u>	<u>301,057</u>
Non-controlling interests		<u>127,368</u>	<u>121,812</u>
<b>Total equity</b>		<b><u>459,754</u></b>	<b><u>422,869</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Trade and other payables	12	33,803	26,288
Borrowings		316,647	282,508
Lease liabilities		1,135	1,139
Retirement and other supplemental benefit obligations		1,787	2,050
Provisions		1,061	578
Deferred government grants and income		968	1,152
Deferred tax liabilities		3,494	3,176
		<u>358,895</u>	<u>316,891</u>
<b>Current liabilities</b>			
Trade and other payables	12	750,610	617,305
Contract liabilities		135,708	136,937
Current income tax liabilities		9,435	8,663
Borrowings		113,316	109,734
Lease liabilities		1,009	343
Retirement and other supplemental benefit obligations		262	275
Financial liabilities at fair value through profit or loss		292	96
Provisions		9	22
		<u>1,010,641</u>	<u>873,375</u>
<b>Total liabilities</b>		<b><u>1,369,536</u></b>	<b><u>1,190,266</u></b>
<b>Total equity and liabilities</b>		<b><u>1,829,290</u></b>	<b><u>1,613,135</u></b>

Notes:

## 1. GENERAL INFORMATION

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

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

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

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors (the “**Directors**”) on 28 March 2024.

## 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and interpretations issued by the IFRS Interpretations Committee (“**IFRS IC**”) applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

**(a) Amended standards adopted by the Group**

The following amended standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2023.

	<b>Effective for accounting periods beginning on or after</b>
IFRS 17 Insurance Contracts	1 January 2023 (deferred from 1 January 2021)
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (Note 2(c))	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (Note 2(d))	1 January 2023

Except for the new standards as described in Note 2(c) and Note 2(d), the adoption of above did not have any material impact on the Group's results for the year ended 31 December 2023 and the Group's financial position as at 31 December 2023 or result in any significant changes in the Group's accounting policies.

**(b) New and amended standards not yet adopted by the Group**

The following new standards and amendments to standards are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing the consolidated financial statements.

	<b>Effective for accounting periods beginning on or after</b>
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Non-current liabilities with covenants – Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	to be determined

The adoption of above new and amended standards will have no material impact on the Group's results and financial position. The relevant new disclosures relating to "Supplier finance arrangements – Amendments to IAS 7 and IFRS 7" are still under assessment.

**(c) Changes in accounting policies**

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. In preparing the financial information for the year ended 31 December 2023, the Group have chosen to adopt the accounting treatment provision, and adopted the retrospective adjustment method to adjust the opening balance of retained earnings in 2022 and other relevant line items in the financial statements. The comparatives for the year ended 31 December 2022 were restated, and the impacts are as follows:

Accounting treatment of exemption from the initial recognition exemption of deferred income tax related to assets and liabilities arising from single transactions.

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected	
		As at 1 January 2022	As at 31 December 2022
		RMB million	
Deferred tax liabilities and deferred tax assets are recognised by the Group for the equal taxable temporary differences and deductible temporary differences arising from lease transactions for which a lease liability is initially recognised and included in right-of-use assets at the lease commencement date.	Deferred tax assets	104	
	Deferred tax liabilities	140	
	Share premium and reserves	(22)	
	Non-controlling interests	(14)	
			As at 31 December 2022
			RMB million
	Deferred tax assets		116
	Deferred tax liabilities		157
	Share premium and reserves		(25)
	Non-controlling interests		(16)
			For the year ended 31 December 2022
			RMB million
	Income tax expense		5
	Profit for the period		(5)
	Profit attributable to:		
	– Owners of the Company		(3)
	– Non-controlling interests		(2)

**(d) Impact on adoption of Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (the “Amendments”)**

The Amendments require companies to disclose accounting policy information that is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The Group has adopted the Amendments in 2023 for the first time.

The adoption of the Amendments has no impact on the Group’s results for the year ended 31 December 2023 and the Group’s financial position as at 31 December 2023, but has affected the disclosure of the Group’s accounting policies set out in Note 2 to the consolidated financial statements.

### 3. SEGMENT INFORMATION

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

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

- (a) Construction of railways, highways, bridges, tunnels, metropolitan railways (including subways and light railways), buildings, irrigation works, hydroelectricity projects, ports, docks, airports and other municipal works (“**Infrastructure construction**”);
- (b) Survey, design, consulting, research and development, feasibility study and compliance certification services with respect to infrastructure construction projects (“**Design and consulting services**”);
- (c) Design, research and development, manufacture and sale of turnouts, bridge steel structures, and other railway related equipment, engineering equipment, component manufacturing and materials (“**Equipment and manufacturing**”);
- (d) Development, sale and management of residential and commercial properties (“**Property development**”); and
- (e) Mining, financial business, operation of service concession arrangements, merchandise trading and other ancillary business (“**Other businesses**”).

Revenue between segments is carried out at actual transaction prices.

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

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

	For the year ended 31 December 2023						
	Infrastructure construction	Design and consulting	Equipment manufacturing	Property development	Other businesses	Elimination	Total
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
External revenue	1,087,584	18,256	27,377	50,914	68,743	-	1,252,874
Inter-segment revenue	38,084	805	8,113	-	37,132	(84,134)	-
Other revenue	5,866	208	488	649	3,327	-	10,538
Inter-segment other revenue	1,543	-	-	-	583	(2,126)	-
<b>Segment revenue</b>	<b>1,133,077</b>	<b>19,269</b>	<b>35,978</b>	<b>51,563</b>	<b>109,785</b>	<b>(86,260)</b>	<b>1,263,412</b>
<b>Segment results</b>							
Profit/(losses) before income tax	40,748	1,323	2,037	(840)	7,469	(4,667)	46,070
Segment results included:							
Share of (losses)/profits of joint ventures	(859)	(8)	43	18	(269)	-	(1,075)
Share of profits of associates	1,133	13	16	363	3,141	-	4,666
Interest income	2,338	100	117	226	6,816	(885)	8,712
Interest expenses	(5,223)	(47)	(73)	(1,694)	(7,981)	3,334	(11,684)
Losses from derecognition of financial assets at amortised cost	(4,774)	(7)	(143)	-	(215)	-	(5,139)

## For the year ended 31 December 2022

	Infrastructure construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Elimination <i>RMB million</i>	Total <i>RMB million</i>
External revenue	983,533	18,616	25,838	53,459	64,918	–	1,146,364
Inter-segment revenue	31,946	978	12,371	–	43,831	(89,126)	–
Other revenue	3,863	201	654	623	2,644	–	7,985
Inter-segment other revenue	388	–	–	–	145	(533)	–
<b>Segment revenue</b>	<b>1,019,730</b>	<b>19,795</b>	<b>38,863</b>	<b>54,082</b>	<b>111,538</b>	<b>(89,659)</b>	<b>1,154,349</b>
<b>Segment results</b>							
Profit/(losses) before income tax	39,286	1,753	2,375	(1,451)	7,856	(7,235)	42,584
Segment results included:							
Share of (losses)/profits of joint ventures	(1,168)	–	84	(12)	(341)	–	(1,437)
Share of profits/(losses) of associates	1,108	12	67	(48)	3,595	–	4,734
Interest income	1,493	69	107	147	6,085	(721)	7,180
Interest expenses	(2,513)	(160)	(89)	(1,786)	(6,855)	2,033	(9,370)
Losses from derecognition of financial assets at amortised cost	(4,204)	(26)	(121)	–	(169)	–	(4,520)

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

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
(i) Segment interest expenses, before inter-segment elimination	<b>15,018</b>	11,403
Inter-segment elimination	<u>(3,334)</u>	<u>(2,033)</u>
	<b>11,684</b>	9,370
Reconciling item:		
Imputed interest expenses on retention payables	<u>209</u>	<u>208</u>
Total consolidated finance costs, as reported	<u><b>11,893</b></u>	<u>9,578</u>
(ii) Segment results, before inter-segment elimination	<b>50,737</b>	49,819
Inter-segment elimination	<u>(4,667)</u>	<u>(7,235)</u>
	<b>46,070</b>	42,584
Reconciling item:		
Land appreciation tax ( <i>Note (a)</i> )	<u>1,511</u>	<u>2,108</u>
Total consolidated profit before income tax, as reported	<u><b>47,581</b></u>	<u>44,692</u>
<b>(a) Land appreciation tax is included as charge to segment results under segment reporting and is classified as income tax expense in the consolidated income statement.</b>		

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

As at 31 December 2023						
Infrastructure construction	Design and consulting	Equipment manufacturing	Property development	Other businesses	Elimination	Total
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Segment assets	<u>1,136,878</u>	<u>29,679</u>	<u>70,821</u>	<u>278,456</u>	<u>(458,330)</u>	<u>1,813,317</u>
Investments in joint ventures	47,476	44	424	302	-	60,322
Investments in associates	<u>43,703</u>	<u>837</u>	<u>676</u>	<u>3,177</u>	<u>-</u>	<u>63,305</u>
Unallocated assets						<u>15,973</u>
<b>Total assets</b>						<b><u>1,829,290</u></b>
Segment liabilities	1,010,248	15,141	41,983	222,417	(454,755)	1,360,786
Unallocated liabilities						<u>8,750</u>
<b>Total liabilities</b>						<b><u>1,369,536</u></b>
As at 31 December 2022						
Infrastructure construction	Design and consulting	Equipment manufacturing	Property development	Other businesses	Elimination	Total
<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Segment assets	<u>922,257</u>	<u>30,215</u>	<u>66,955</u>	<u>277,774</u>	<u>(406,989)</u>	<u>1,598,198</u>
Investments in joint ventures	42,774	94	423	391	-	55,122
Investments in associates	<u>38,288</u>	<u>963</u>	<u>686</u>	<u>2,059</u>	<u>-</u>	<u>54,611</u>
Unallocated assets						<u>14,937</u>
<b>Total assets</b>						<b><u>1,613,135</u></b>
Segment liabilities	769,946	14,963	39,301	222,627	(403,698)	1,182,362
Unallocated liabilities						<u>7,904</u>
<b>Total liabilities</b>						<b><u>1,190,266</u></b>

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

- (a) all assets are allocated to operating segments other than deferred tax assets and current income tax recoverable excluding prepaid land appreciation tax which is allocated to operating segments; and
- (b) all liabilities are allocated to operating segments other than deferred tax liabilities and current income tax liabilities excluding land appreciation tax payable which is allocated to operating segments.

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

	<b>2023</b>	2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
Segment assets, before inter-segment elimination	<b>2,271,647</b>	2,005,187
Inter-segment elimination	<b>(458,330)</b>	(406,989)
	<b>1,813,317</b>	1,598,198
Reconciling items:		
Deferred tax assets	<b>13,166</b>	12,225
Non-tradable shares reform of subsidiaries <i>(Note (a))</i>	<b>(148)</b>	(148)
Current income tax recoverable	<b>4,611</b>	3,849
Prepaid land appreciation tax included in current income tax recoverable	<b>(1,656)</b>	(989)
	<b>15,973</b>	14,937
Total consolidated assets, as reported	<b>1,829,290</b>	1,613,135
Segment liabilities, before inter-segment elimination	<b>1,815,541</b>	1,586,060
Inter-segment elimination	<b>(454,755)</b>	(403,698)
	<b>1,360,786</b>	1,182,362
Reconciling items:		
Deferred tax liabilities	<b>3,494</b>	3,176
Current income tax liabilities	<b>9,435</b>	8,663
Land appreciation tax payable included in current income tax liabilities	<b>(4,179)</b>	(3,935)
	<b>8,750</b>	7,904
Total consolidated liabilities, as reported	<b>1,369,536</b>	1,190,266

- (a) Losses on non-tradable shares reform of subsidiaries are recorded in segment assets in segment reporting and were adjusted to other gains and losses in consolidated income statement in prior years.

Other segment information:

	Year ended 31 December 2023					Consolidated RMB million
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	
<b>Capital expenditure:</b>						
Property, plant and equipment	24,674	513	1,528	1,844	1,008	29,567
Investment properties	172	271	-	507	498	1,448
Intangible assets	187	25	92	11	41,066	41,381
Right-of-use assets	1,564	35	74	396	546	2,615
<b>Total</b>	<b>26,597</b>	<b>844</b>	<b>1,694</b>	<b>2,758</b>	<b>43,118</b>	<b>75,011</b>
<b>Depreciation and amortisation:</b>						
Property, plant and equipment	5,543	308	732	303	2,302	9,188
Investment properties	13	20	9	383	81	506
Intangible assets	211	30	52	14	1,392	1,699
Mining assets	88	-	-	-	82	170
Right-of-use assets	1,251	55	79	122	277	1,784
Other prepayments	86	-	11	8	108	213
<b>Total</b>	<b>7,192</b>	<b>413</b>	<b>883</b>	<b>830</b>	<b>4,242</b>	<b>13,560</b>
(Gains)/losses on disposal and/or write-off of property, plant and equipment	(110)	2	(9)	-	44	(73)
Gains on disposal of right of use assets	(404)	-	-	-	-	(404)
Increase in foreseeable losses on contracts	186	-	-	-	-	186
Impairment loss/(reversal of impairment) on trade and other receivables	5,197	6	179	457	(95)	5,744
Impairment loss/(reversal of impairment) on other financial assets at amortised cost	119	36	-	(12)	225	368
Impairment loss on contract assets	1,035	-	-	-	-	1,035
Impairment loss on property, plant and equipment	-	-	3	-	27	30
Impairment loss on investment properties	2	-	-	-	-	2
Impairment loss on goodwill	125	-	-	-	-	125
(Reversal of impairment)/impairment loss on inventories, properties under development for sale and properties held for sale	-	-	(10)	844	17	851

Other segment information:

	Year ended 31 December 2022					
	Infrastructure construction <i>RMB million</i>	Design and consulting <i>RMB million</i>	Equipment manufacturing <i>RMB million</i>	Property development <i>RMB million</i>	Other businesses <i>RMB million</i>	Consolidated <i>RMB million</i>
<b>Capital expenditure:</b>						
Property, plant and equipment	49,822	530	926	2,002	1,059	54,339
Investment properties	1,100	200	–	14	433	1,747
Intangible assets	14,837	30	5	20	30,824	45,716
Mining assets	8	–	–	–	–	8
Right-of-use assets	850	72	28	318	168	1,436
<b>Total</b>	<b>66,617</b>	<b>832</b>	<b>959</b>	<b>2,354</b>	<b>32,484</b>	<b>103,246</b>
<b>Depreciation and amortisation:</b>						
Property, plant and equipment	4,893	289	812	373	2,227	8,594
Investment properties	71	5	9	342	59	486
Intangible assets	169	28	49	5	843	1,094
Mining assets	98	–	–	–	11	109
Right-of-use assets	659	57	93	99	180	1,088
Other prepayments	61	–	12	3	51	127
<b>Total</b>	<b>5,951</b>	<b>379</b>	<b>975</b>	<b>822</b>	<b>3,371</b>	<b>11,498</b>
(Gains)/losses on disposal and/or write-off of property, plant and equipment	(414)	(5)	(32)	–	46	(405)
(Gains)/losses on disposal of right of use assets	(96)	2	(11)	–	–	(105)
Increase in foreseeable losses on contracts	87	–	–	–	–	87
Impairment loss/(reversal of impairment) on trade and other receivables	1,735	(198)	74	398	28	2,037
Impairment loss on other financial assets at amortised cost	190	92	–	57	298	637
Impairment loss on contract assets	669	–	–	–	–	669
Impairment loss on property, plant and equipment	–	–	48	456	–	504
Impairment loss on investment properties	6	–	–	–	–	6
Impairment loss/(reversal of impairment) on inventories, properties under development for sale and properties held for sale	–	–	4	2,218	(17)	2,205

## (i) Disaggregation of revenue

Type of services and products	Year ended 31 December 2023					Total RMB million
	Infrastructure construction RMB million	Survey, design and consulting services RMB million	Engineering equipment and component manufacturing RMB million	Property development RMB million	Other businesses RMB million	
Infrastructure construction contracts	1,087,584	-	-	-	-	1,087,584
Manufacturing and sales of engineering equipment and component	-	-	27,377	-	-	27,377
Rendering of services	-	18,256	-	-	6,765	25,021
Sales of properties	-	-	-	50,914	-	50,914
Sales of goods and others	5,866	208	488	649	65,305	72,516
<b>Total revenue</b>	<b>1,093,450</b>	<b>18,464</b>	<b>27,865</b>	<b>51,563</b>	<b>72,070</b>	<b>1,263,412</b>
Timing of revenue recognition:						
- At a point of time	5,866	208	17,177	50,232	70,893	144,376
- Over time	1,087,584	18,256	10,685	1,331	-	1,117,856
<b>Total revenue from contracts with customers</b>	<b>1,093,450</b>	<b>18,464</b>	<b>27,862</b>	<b>51,563</b>	<b>70,893</b>	<b>1,262,232</b>
Rental income	-	-	3	-	1,177	1,180
<b>Total revenue</b>	<b>1,093,450</b>	<b>18,464</b>	<b>27,865</b>	<b>51,563</b>	<b>72,070</b>	<b>1,263,412</b>
Type of services and products	Year ended 31 December 2022					Total RMB million
	Infrastructure construction RMB million	Survey, design and consulting services RMB million	Engineering equipment and component manufacturing RMB million	Property development RMB million	Other businesses RMB million	
Infrastructure construction contracts	983,533	-	-	-	-	983,533
Manufacturing and sales of engineering equipment and component	-	-	25,838	-	-	25,838
Rendering of services	-	18,616	-	-	7,292	25,908
Sales of properties	-	-	-	53,459	-	53,459
Sales of goods and others	3,863	201	654	623	60,270	65,611
<b>Total revenue</b>	<b>987,396</b>	<b>18,817</b>	<b>26,492</b>	<b>54,082</b>	<b>67,562</b>	<b>1,154,349</b>
Timing of revenue recognition:						
- At a point of time	3,863	201	17,236	52,687	65,699	139,686
- Over time	983,533	18,616	9,209	1,395	-	1,012,753
<b>Total revenue from contracts with customers</b>	<b>987,396</b>	<b>18,817</b>	<b>26,445</b>	<b>54,082</b>	<b>65,699</b>	<b>1,152,439</b>
Rental income	-	-	47	-	1,863	1,910
<b>Total revenue</b>	<b>987,396</b>	<b>18,817</b>	<b>26,492</b>	<b>54,082</b>	<b>67,562</b>	<b>1,154,349</b>

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

	<b>For the year ended 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
Mainland China	1,201,156	1,095,912
Other regions (including Hong Kong and Macau)	<u>62,256</u>	<u>58,437</u>
	<b><u>1,263,412</u></b>	<b><u>1,154,349</u></b>

(iii) Non-current assets other than trade and other receivables, financial instruments, investments in joint ventures, investments in associates, deposits for investments and deferred tax assets located in the Mainland China and other regions are as follows:

	<b>2023</b>	2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
Mainland China	580,789	496,829
Other regions (including Hong Kong and Macau)	<u>19,342</u>	<u>17,647</u>
	<b><u>600,131</u></b>	<b><u>514,476</u></b>

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

#### 4. OTHER INCOME AND EXPENSES

	<b>2023</b>	2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
Other income from:		
Government subsidies (a)	1,412	1,480
Interest income from other financial assets at amortised cost	1,131	1,093
Compensation and claims	261	171
Dividends from financial assets at FVPL	149	548
Dividends from financial assets at FVOCI	76	135
Relocation compensation	16	13
Others	<u>394</u>	<u>276</u>
	<b><u>3,439</u></b>	<b><u>3,716</u></b>
Other expenses on:		
Compensation expenditure	400	64
Penalty cost	203	214
Lawsuit expenditure	193	460
Others	<u>447</u>	<u>344</u>
	<b><u>1,243</u></b>	<b><u>1,082</u></b>

*Notes:*

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

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

**5. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS**

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Trade and other receivables (excluding advance to suppliers)	5,744	2,037
Contract assets	1,035	670
Other financial assets at amortised cost	368	636
	<u>7,147</u>	<u>3,343</u>

**6. OTHER GAINS, NET**

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Gains on disposal and/or write-off of:		
– Right of use Assets	404	105
– Property, plant and equipment	73	405
(Losses)/gains on disposal of financial assets/liabilities at FVPL	(109)	29
Losses arising on change in fair value of financial assets/liabilities at FVPL	(246)	(563)
Foreign exchange (losses)/gains, net	(132)	566
Others	393	73
	<u>383</u>	<u>615</u>

**7. LOSSES FROM DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST**

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
ABN & ABS	4,463	3,578
Factoring expenses	543	801
Bills receivables discounted expenses	133	141
	<u>5,139</u>	<u>4,520</u>

## 8. INCOME TAX EXPENSE

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Current income tax		
– Enterprise income tax (“EIT”)	<b>9,008</b>	8,210
– Land appreciation tax (“LAT”)	<b>1,511</b>	2,108
– Under provision in prior years	<b>(5)</b>	127
Deferred income tax	<b>(570)</b>	(720)
	<hr/>	<hr/>
<b>Income tax expense</b>	<b>9,944</b>	9,725
	<hr/> <hr/>	<hr/> <hr/>

The majority of the entities in the Group are located in Mainland China. Pursuant to the relevant laws and regulations, the statutory EIT rate of 25% (2022: 25%) is applied to the Group except for certain subsidiaries which were mainly either exempted from EIT or entitled to the preferential tax rate of 20% and 15% (2022: 20% and 15%) for the year ended 31 December 2023.

Certain of the Group’s overseas entities are located in The Republic of Uganda, Republic of Singapore, The Lao People’s Democratic Republic, Malaysia, Democratic Republic of the Congo, Republic of Indonesia, People’s Republic of Bangladesh, United Republic of Tanzania and Federal Democratic Republic of Ethiopia. Pursuant to the relevant laws and regulations of these jurisdictions, the EIT rates of 30%, 17%, 24%, 24%, 30%, 20%, 35%, 30% and 30% (2022: 30%, 17%, 24%, 24%, 30%, 20%, 25%, 30% and 30%) are applied to these entities respectively.

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

The tax charge for the year can be reconciled to profit before income tax per the consolidated income statement as follows:

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Profit before income tax	<b>47,581</b>	44,692
	<hr/>	<hr/>
Tax at PRC EIT rate of 25% (2022: 25%)	<b>11,895</b>	11,173
Tax effect of:		
Non-deductible expenses	<b>274</b>	263
Non-taxable income	<b>–</b>	(9)
Share of losses of joint ventures	<b>269</b>	359
Share of profits of associates	<b>(1,166)</b>	(1,183)
Tax losses/other deductible temporary differences not recognised as deferred tax assets	<b>2,837</b>	2,194
Utilisation of tax losses/other deductible temporary differences previously not recognised as deferred tax assets	<b>(608)</b>	(467)
Preferential tax rates on income of group entities and other income tax credits	<b>(2,899)</b>	(2,733)
Research and development tax credit	<b>(1,430)</b>	(1,169)
LAT	<b>1,511</b>	2,108
Tax effect of LAT	<b>(378)</b>	(527)
Under provision in prior years	<b>(5)</b>	127
Deductible dividends on perpetual notes	<b>(434)</b>	(450)
Others	<b>78</b>	39
	<hr/>	<hr/>
<b>Income tax expense for the year</b>	<b>9,944</b>	9,725
	<hr/> <hr/>	<hr/> <hr/>

The PRC EIT rate is used as it is the domestic tax rate in the jurisdiction where the operation of the Group is substantially based.

The tax charge relating to components of other comprehensive income is as follows:

	2023			2022		
	Before tax <i>RMB million</i>	Tax charge <i>RMB million</i>	After tax <i>RMB million</i>	Before tax <i>RMB million</i>	Tax charge <i>RMB million</i>	After tax <i>RMB million</i>
Actuarial gains/(losses) on retirement and other supplemental benefit obligations	13	(1)	12	(12)	2	(10)
Changes in fair value of financial assets at FVOCI	(184)	46	(138)	93	(20)	73
Share of other comprehensive income of associates	156	-	156	675	-	675
Exchange differences	(98)	-	(98)	158	-	158
<b>Other comprehensive (expenses)/Income</b>	<b>(113)</b>	<b>45</b>	<b>(68)</b>	<b>914</b>	<b>(18)</b>	<b>896</b>
Current income tax		-			-	
Deferred income tax		45			(18)	
		<b>45</b>			<b>(18)</b>	

## 9. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

For those financial instruments classified as equity, if the distributions are cumulative, the undeclared amount of the cumulative distributions were deducted in arriving at earnings for the purposes of the EPS calculation. On the other hand, if the distributions are non-cumulative, only the amount of dividends declared in respect of the year should be deducted in arriving at the profit attributable to ordinary shareholders.

	2023	2022
Profit attributable to owners of the Company ( <i>RMB million</i> )	33,483	31,273
Less:		
– dividends attributable to the perpetual notes ( <i>RMB million</i> ) ( <i>Note (i)</i> )	1,661	1,799
– the effect of 2021 Restricted Share Incentive Scheme ( <i>RMB million</i> )	36	33
Profit used to determine basic earnings per share ( <i>RMB million</i> )	<u>31,786</u>	<u>29,441</u>
Weighted average number of ordinary shares in issue ( <i>RMB millions</i> )	<u>24,571</u>	<u>24,571</u>
Basic earnings per share (RMB per share)	<u>1.294</u>	<u>1.198</u>

- (i) The perpetual notes issued by the Company were classified as equity instruments with deferrable cumulative interest distribution and payment. The perpetual notes interests, which was generated and attributable to the year ended 31 December 2023, were deducted from earnings when calculate the earnings per share for the year ended 31 December 2023.

**(b) Diluted**

Diluted earnings per share was calculated by dividing the adjusted profit attributable to ordinary equity holders of the Company based on the diluted potential ordinary shares by the weighted average number of shares in issue during the period. For the year of 2023, the Company's 2021 Restricted Share Incentive Scheme has diluted effect on earnings per share, therefore, the diluted earnings per share did not equal basic earnings per share.

Diluted earnings per share are calculated as follows:

	<b>2023</b>	2022
Earnings		
Profit attributable to owners of the Company (RMB million)		
From continuing operations	<u>31,786</u>	<u>29,441</u>
Adjusted profit attributable to owners of the Company (RMB million)	<b>31,809</b>	29,452
Profit attributable to owners of the Company		
From continuing operations	<u>31,809</u>	<u>29,452</u>
Shares		
Weighted average number of ordinary shares in issue (RMB million)	<b>24,571</b>	24,571
Dilution effect		
Restricted Shares	<b>45</b>	13
Adjusted Weighted average number of ordinary shares in issue (RMB million)	<u>24,616</u>	<u>24,584</u>
Diluted earnings per share (RMB per share)	<u><b>1.292</b></u>	<u>1.198</u>

**10. DIVIDENDS**

	<b>2023</b>	2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
Proposed final dividend of RMB0.210 per ordinary share (2022: RMB0.200)	<u><b>5,198</b></u>	<u>4,950</u>

The dividends proposed in 2023 were RMB5,198 million (RMB0.210 per ordinary share) and paid in 2022 were RMB4,950 million (RMB0.200 per ordinary share) respectively. A dividend in respect of the year ended 31 December 2023 of RMB0.210 per ordinary share, amounting to a total dividend of RMB5,198 million, is to be approved at the 2023 annual general meeting of the Company. These financial statements do not reflect this dividend payable.

## 11. TRADE AND OTHER RECEIVABLES

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Trade and bills receivables	<b>193,674</b>	160,574
Less: loss allowance	<b>(18,859)</b>	(15,102)
Trade and bills receivables – net	<b>174,815</b>	145,472
Other receivables (net of impairment)	<b>96,548</b>	89,381
Advance to suppliers (net of impairment)	<b>45,585</b>	48,327
	<b>316,948</b>	283,180
Less: amount due after one year included in non-current assets	<b>(23,198)</b>	(30,508)
Amount due within one year included in current assets	<b>293,750</b>	252,672

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

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Less than 1 year	<b>142,215</b>	116,291
1 year to 2 years	<b>21,833</b>	19,811
2 years to 3 years	<b>9,816</b>	7,853
3 years to 4 years	<b>4,463</b>	5,587
4 years to 5 years	<b>4,969</b>	3,245
More than 5 years	<b>10,378</b>	7,787
Total	<b>193,674</b>	160,574

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

- (b) Trade and bills receivables of RMB317 million (31 December 2022: RMB450 million) were pledged to secure borrowings amounting to RMB185 million (31 December 2022: RMB414 million).
- (c) As at 31 December 2023, trade receivables of RMB67,619 million (31 December 2022: RMB68,033 million) had been transferred in accordance with relevant ABN and ABS issuance, and trade receivables of RMB14,765 million (31 December 2022: RMB16,908 million) had been transferred to financial institutions in accordance with relevant non-recourse factoring agreements. Relevant trade receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.
- (d) As at 31 December 2023, bills receivables – bank acceptance and commercial acceptance notes of RMB442 million (31 December 2022: RMB336 million) were endorsed to suppliers, and RMB7 million (31 December 2022: RMB312 million) were discounted with banks. In the opinion of the Directors, as the counter party bears higher credit risk, such transactions did not qualify for derecognition. In addition, as at 31 December 2023, bills receivables – bank acceptance notes of RMB860 million (31 December 2022: RMB307 million) were endorsed to suppliers, and RMB151 million (31 December 2022: RMB37 million) were discounted with banks. Relevant bills receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.

- (e) As at 31 December 2023, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows:

**Central-governmental enterprises**

	As at	
	31 December 2023 <i>RMB million</i>	31 December 2022 <i>RMB million</i>
Less than 1 year	11,485	8,690
1 year to 2 years	1,955	1,145
2 years to 3 years	618	535
3 years to 4 years	286	226
4 years to 5 years	103	109
More than 5 years	123	115
	<hr/>	<hr/>
Total	<b>14,570</b>	<b>10,820</b>
	<hr/> <hr/>	<hr/> <hr/>

**Locally-administrated state-owned enterprises**

	As at	
	31 December 2023 <i>RMB million</i>	31 December 2022 <i>RMB million</i>
Less than 1 year	71,961	50,357
1 year to 2 years	8,814	9,481
2 years to 3 years	4,423	4,318
3 years to 4 years	2,164	1,592
4 years to 5 years	996	898
More than 5 years	1,276	739
	<hr/>	<hr/>
Total	<b>89,634</b>	<b>67,385</b>
	<hr/> <hr/>	<hr/> <hr/>

**China State Railway Group Co.,Ltd.**

	As at	
	31 December 2023 <i>RMB million</i>	31 December 2022 <i>RMB million</i>
Less than 1 year	10,664	7,614
1 year to 2 years	1,539	1,330
2 years to 3 years	350	340
3 years to 4 years	240	397
4 years to 5 years	193	81
More than 5 years	218	158
	<hr/>	<hr/>
Total	<b>13,204</b>	<b>9,920</b>
	<hr/> <hr/>	<hr/> <hr/>

## Overseas enterprises

	As at	
	31 December 2023	31 December 2022
	<i>RMB million</i>	<i>RMB million</i>
Less than 1 year	2,213	1,273
1 year to 2 years	26	135
2 years to 3 years	56	11
3 years to 4 years	5	1
4 years to 5 years	–	174
Total	<b>2,300</b>	<b>1,594</b>

## Other entities

	As at	
	31 December 2023	31 December 2022
	<i>RMB million</i>	<i>RMB million</i>
Less than 1 year	24,598	17,874
1 year to 2 years	3,521	2,585
2 years to 3 years	1,674	996
3 years to 4 years	565	570
4 years to 5 years	331	485
More than 5 years	588	222
Total	<b>31,277</b>	<b>22,732</b>

As at 31 December 2023, the amount of individually impaired trade receivables was RMB15,325 million (31 December 2022: RMB16,884 million) with the provision for loss allowance of RMB9,459 million (31 December 2022: RMB7,098 million).

As at 31 December 2023, bills receivables – bank acceptance notes of RMB928 million (31 December 2022: RMB794 million) were not impaired. Commercial acceptance notes, which were collectively assessed for impairment, were RMB954 million (31 December 2022: RMB1,543 million) with the provision for credit loss allowance of RMB5 million (31 December 2022: RMB5 million).

As at 31 December 2023, the amount of collectively impaired long-term trade receivables was RMB15,549 million (31 December 2022: RMB19,838 million) with the provision for loss allowance of RMB74 million (31 December 2022: RMB74 million). The amount of individually impaired long-term trade receivables was RMB3,747 million (31 December 2022: RMB4,529 million) with the provision for loss allowance of RMB3,135 million (31 December 2022: RMB3,390 million).

- (f) Movements on loss allowance of trade and other receivables are as follows:

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
<b>At 31 December in prior year</b>	<b>28,752</b>	26,725
Increase in loss allowance recognised in profit or loss during the year	<b>8,386</b>	4,857
Amount reversed	<b>(2,642)</b>	(2,817)
Receivables written off during the year as non-collectible	<b>(221)</b>	(17)
Others	<b>(1,215)</b>	4
	<hr/>	<hr/>
<b>At 31 December</b>	<b>33,060</b>	<b>28,752</b>
	<hr/> <hr/>	<hr/> <hr/>

The increase and reversal in loss allowance of trade and other receivables have been included in net impairment losses on financial assets and other gains in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

- (g) The carrying amount of trade and other receivables are denominated in the following currencies:

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
RMB	<b>305,287</b>	272,832
USD	<b>7,294</b>	6,331
West African CFA Franc	<b>184</b>	249
Ethiopian Birr	<b>139</b>	240
HKD	<b>100</b>	145
EUR	<b>239</b>	97
Other currencies	<b>3,705</b>	3,286
	<hr/>	<hr/>
	<b>316,948</b>	<b>283,180</b>
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2023, other currencies mainly comprised of Bangladesh Taka, Malaysian Ringgit and South African Rand.

- (h) The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

## 12. TRADE AND OTHER PAYABLES

	<b>2023</b>	2022
	<b><i>RMB million</i></b>	<i>RMB million</i>
Trade and bills payables (a)	<b>588,737</b>	480,430
Dividend payables	<b>950</b>	698
Accrued payroll and welfare	<b>5,580</b>	4,537
Other taxes	<b>5,956</b>	6,084
Deposit received in advance	<b>1,205</b>	1,161
Deposits (b)	<b>3,869</b>	6,003
Advance from customers for rental	<b>1,179</b>	1,031
Other payables	<b>176,937</b>	143,649
	<b>784,413</b>	643,593
Analysed for reporting purposes:		
Non-currents	<b>33,803</b>	26,288
Current	<b>750,610</b>	617,305
	<b>784,413</b>	643,593

The credit period on purchases of goods ranges from 180 days to 360 days. Included in trade and bills payables are retention payables of RMB17,921 million (31 December 2022: RMB13,817 million). Retention payables are interest-free and payable at the end of the retention period of the respective infrastructure construction and products manufacturing and installation contracts.

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

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

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
Less than 1 year	<b>544,622</b>	439,796
1 year to 2 years	<b>23,035</b>	22,478
2 years to 3 years	<b>10,204</b>	9,311
More than 3 years	<b>10,876</b>	8,845
	<b>588,737</b>	480,430

- (b) China Railway Finance Co., Ltd. (“CREC Finance”), a subsidiary of the Company, accepted deposits from related parties and third parties. As at 31 December 2023, these deposits were due within one year with average annual interest rate of 1.265%.

- (c) The carrying amount of trade and other payables are denominated in the following currencies:

	<b>2023</b> <i>RMB million</i>	2022 <i>RMB million</i>
RMB	<b>768,063</b>	626,305
USD	<b>11,524</b>	12,974
Other currencies	<b>4,826</b>	4,314
	<b>784,413</b>	643,593

At 31 December 2023, other currencies mainly consist of West African Franc, Ethiopian Birr, and HKD.

## 7 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2023.

## **8 DIVIDENDS**

The Board of Directors recommended the payment of a final dividend in the amount of RMB0.210 per share (including tax), totalling approximately RMB5.198 billion for the financial year ended 31 December 2023 (2022: RMB0.200 per share (including tax) totalling approximately RMB4.950 billion). The distribution plan will be implemented upon approval at the 2023 annual general meeting of the Company and the dividend is expected to be paid in around August 2024 to the shareholders of the Company.

## **9 REPURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries sold any securities of the Company, nor did they repurchase or redeem any of the securities of the Company during the year ended 31 December 2023.

## **10 COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

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

## **11 EVENT AFTER THE REPORTING PERIOD**

- (a) In February 2023, L'Inspection Générale des Finances de la République Démocratique du Congo (the General Inspectorate of Finance of the Democratic Republic of the Congo) released a report on the implementation of cooperation agreements signed between the Democratic Republic of the Congo and the Chinese companies. The report recommended that the relevant contract parties to review the cooperation agreements in terms of the shareholder structure of specific structure companies, the capital expenditure of the infrastructure projects and the preferential tax treatment of the jointly invested companies. Pursuant to the report, the representatives from Democratic Republic of the Congo negotiated with the Chinese companies. In March 2024, a supplemental agreement has been signed on the capital expenditure of the infrastructure projects and the preferential tax treatment of the jointly invested companies. As of the approval date of this financial statement, the Group expected there is no significantly negative influence on the Group.
- (b) On 29 December 2023, the Board of Directors of the Company approved the Repurchase and Cancellation of Restricted Stock, confirming the repurchase and cancellation of 1,566,166 restricted shares granted but not yet lifted by 7 incentive subjects in accordance with the 2021 Restricted Share Incentive Scheme. On 11 March 2024, the repurchase cancellation procedure of 1,566,166 restricted shares was completed. Upon the completion of the Repurchase and Cancellation, the total number of Shares of the Company will be reduced from 24,752,195,983 Shares to 24,750,629,817 Shares.

## 12 PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be released on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.crec.cn](http://www.crec.cn)). The 2023 Annual Report prepared in accordance with the IFRS will be released on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.crec.cn](http://www.crec.cn)). The 2023 Annual Report and its abstract prepared in accordance with CAS will be released on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Company ([www.crec.cn](http://www.crec.cn)).

By Order of the Board  
**China Railway Group Limited**  
**Chen Yun**  
*Chairman*

28 March 2024

*As at the date of this announcement, the executive directors of the Company are CHEN Yun (Chairman), Mr. CHEN Wenjian and Mr. WANG Shiqi; the non-executive director of the Company is Mr. WEN Limin; the independent non-executive directors are Mr. CHUNG Shui Ming Timpson, Mr. ZHANG Cheng and Mr. XIU Long.*