



中國中鐵股份有限公司 CHINA RAILWAY GROUP LIMITED

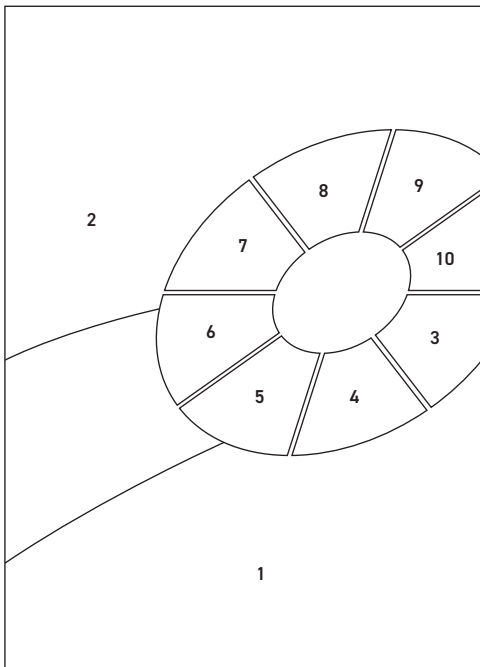
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 390

2024 INTERIM REPORT

永遠的開路先鋒





- | | |
|---|---|
| 1. Shenzhen-Zhongshan Cross-sea Bridge | 6. "Daqiao Haifeng" – 2,000 Tonnes Self-elevating Offshore Wind Power Installation Platform |
| 2. Fujian Zhangpu Liuaao Offshore Wind Farm Phase II Project | 7. Beijing-Weixian Expressway Junzhuang Interchange |
| 3. Busanga Hydropower Station in the Democratic Republic of the Congo | 8. Guizhou Longli River Bridge |
| 4. Antarctic Qinling Station | 9. Guiyang Huaxi Pipe Network Sewage Treatment Plant |
| 5. Mining Site of Luming Mine | 10. Railroad Tie Factory of Chengdu-Dazhou-Wanzhou High-Speed Railway |

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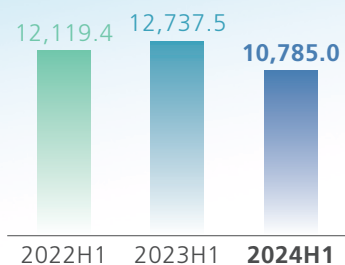
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SNAPSHOT OF INTERIM REPORT



New contracts

(RMB100 million)



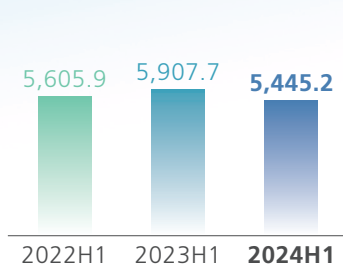
Year-on-year decrease

15.3% ↓



Revenue

(RMB100 million)



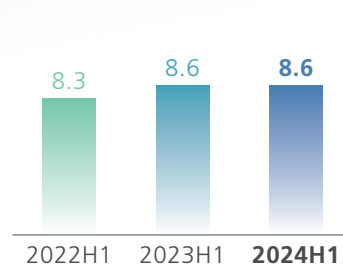
Year-on-year decrease

7.8% ↓



Gross profit margin

%

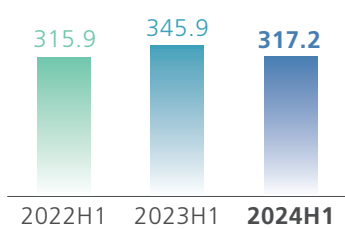


Basically the same year-on-year



EBITDA

(RMB100 million)



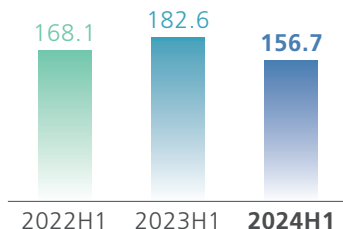
Year-on-year decrease

8.3% ↓



Net profit

(RMB100 million)



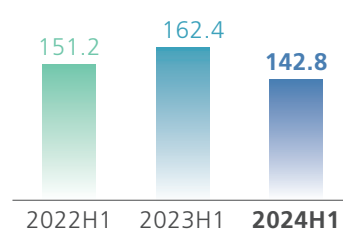
Year-on-year decrease

14.2% ↓



Profit attributable to owners of the Company

(RMB100 million)



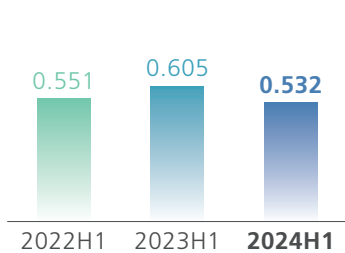
Year-on-year decrease

12.1% ↓



Basic earnings per share

(RMB/share)



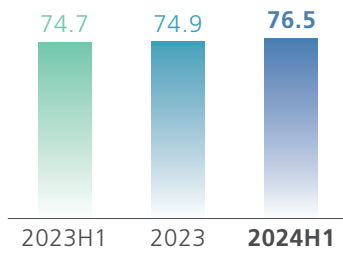
Year-on-year decrease

12.1% ↓



Gearing ratio

%



Increase by **1.6** percent points ↑ from the beginning of the year

COMPANY PROFILE

The Company was established as a joint stock company with limited liability in the People's Republic of China (the "PRC" or "China") under the Company Law of the PRC on 12 September 2007. The A shares and H shares issued by the Company were listed on the Shanghai Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 3 December 2007 and 7 December 2007, respectively.

We are one of the largest multi-functional integrated construction groups in the PRC and Asia in terms of the total revenue of the engineering contract. We offer a full range of construction-related services, including infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, and also expand to other businesses such as property development and mining development.

We have outstanding advantages in the construction of infrastructure facilities such as railways, highways, municipal works and urban rails. In particular, we hold leading positions in the design and construction of bridges, tunnels and electrified railways, and the design and manufacturing of bridge steel structures and turnouts in the PRC, which have achieved advanced international standards. While we operate in every province across the PRC, we have also explored extensive global markets.

Adhering to the motto "strive to challenge limits and achieve excellence", the Company is committed to continuous development to create a brighter and better future.

FINANCIAL SUMMARY

The financial data contained in this interim report have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. Unless otherwise specified, the financial data of the Company and its subsidiaries are consolidated and presented in RMB.

Summary of Condensed Consolidated Statement of Profit or Loss

	For the six months ended 30 June					Change
	2024	2023	2022	2021	2020	2024 vs 2023 (%)
	<i>RMB million</i>					
Revenue						
Infrastructure Construction	484,838	526,649	495,908	459,516	385,934	-7.9
Design and Consulting	9,351	9,622	9,232	7,701	7,967	-2.8
Equipment Manufacturing	16,586	17,519	16,767	16,466	13,351	-5.3
Property Development	14,843	21,187	23,709	14,122	13,001	-29.9
Other Businesses	48,881	55,031	50,314	45,039	29,418	-11.2
Inter-segment Eliminations and Adjustments	(29,977)	(39,242)	(35,343)	(44,617)	(33,368)	
Total	544,522	590,766	560,587	498,227	416,303	-7.8
Gross Profit	46,757	50,906	46,550	41,767	36,381	-8.2
Profit before Income Tax	19,560	22,972	21,897	18,412	16,098	-14.9
Profit for the Period	15,669	18,264	16,808	14,350	12,398	-14.2
Profit for the Period Attributable to						
Owners of the Company	14,279	16,239	15,115	13,095	11,697	-12.1
Basic Earnings per Share (RMB)	0.532	0.605	0.551	0.454	0.425	-12.1

Summary of Condensed Consolidated Statement of Financial Position

	30 June 2024	As at 31 December 2023 <i>RMB million</i>	30 June 2023	Change	
				30 June 2024 vs 31 December 2023 (%)	30 June 2024 vs 30 June 2023 (%)
Assets					
Current Assets	1,134,794	1,005,695	938,560	12.8	20.9
Non-current Assets	869,630	823,595	764,173	5.6	13.8
Total Assets	2,004,424	1,829,290	1,702,733	9.6	17.7
Liabilities					
Current Liabilities	1,142,802	1,010,641	928,994	13.1	23.0
Non-current Liabilities	390,345	358,895	342,961	8.8	13.8
Total Liabilities	1,533,147	1,369,536	1,271,955	11.9	20.5
Total Equity	471,277	459,754	430,778	2.5	9.4
Total Equity and Liabilities	2,004,424	1,829,290	1,702,733	9.6	17.7

Differences between Financial Data Prepared in Accordance with IAS 34 and Chinese Accounting Standard ("CAS")

	Net assets as at 30 June 2024 <i>RMB million</i>	Profit for the period for the six months ended 30 June 2024 <i>RMB million</i>
Amounts attributable to owners of the Company stated in the financial statements prepared in accordance with CAS	335,687	14,279
Adjustments as required by IAS 34:		
– Recognition of loss on shares conversion scheme of a subsidiary	(148)	–
Amounts attributable to owners of the Company stated in the interim financial information prepared in accordance with the IAS 34	335,539	14,279

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

1 Changes in Shares

(1) Changes in shares

Unit: Shares

	Before the change		Issuance of new shares	Increase/decrease in the change (+,-)				After the change	
	Number	Percentage (%)		Bonus shares	Reserve converted to shares	Other	Sub-total	Number	Percentage (%)
I. Shares with selling restrictions	181,266,700	0.73	0	0	0	-57,477,004	-57,477,004	123,789,696	0.50
1. Shares held by the State	0	0	0	0	0	0	0	0	0
2. Shares held by the State-owned legal person	0	0	0	0	0	0	0	0	0
3. Shares held by other domestic shareholders	181,266,700	0.73	0	0	0	-57,477,004	-57,477,004	123,789,696	0.50
Including: Shares held by domestic non-State-owned legal person	0	0	0	0	0	0	0	0	0
Shares held by domestic natural person	181,266,700	0.73	0	0	0	-57,477,004	-57,477,004	123,789,696	0.50
4. Shares held by foreign shareholders	0	0	0	0	0	0	0	0	0
Including: Shares held by foreign legal person	0	0	0	0	0	0	0	0	0
Shares held by foreign natural person	0	0	0	0	0	0	0	0	0
II. Tradable shares without selling restrictions	24,570,929,283	99.27	0	0	0	55,910,838	55,910,838	24,626,840,121	99.50
1. RMB-denominated ordinary shares	20,363,539,283	82.27	0	0	0	55,910,838	55,910,838	20,419,450,121	82.50
2. Domestically-listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	4,207,390,000	17	0	0	0	0	0	4,207,390,000	17
4. Other	0	0	0	0	0	0	0	0	0
III. Total number of shares	24,752,195,983	100	0	0	0	-1,566,166	-1,566,166	24,750,629,817	100

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(2) Explanation to the changes in shares

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

On 11 March 2024, among the participants in the first grant under the 2021 Restricted Share Incentive Scheme of the Company, 1 participant was transferred from the Company and ceased to take office in the Company due to organizational arrangements, 1 participant was deceased, 1 participant resigned from the Company during the employment contract period, 2 participants violated laws and regulations and 2 participants received a fair performance rating in the 2022 annual individual performance appraisal (80% of their restricted shares are unlocked in the current period, while the remaining 20% of the restricted shares were repurchased and canceled by the Company), and therefore in accordance with the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company repurchased and canceled from the above 7 participants of the restricted shares (1,566,166 restricted shares in total) which were granted but not yet unlocked. The total number of Shares of the Company was reduced from 24,752,195,983 Shares to 24,750,629,817 Shares.

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

Not applicable

(4) Other information considered necessary by the Company or required by securities regulators that should be disclosed

Not applicable

(5) Changes in restricted shares

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the reporting period	Number of shares released from selling restrictions during the reporting period	Number of restricted shares granted during the reporting period	Number of restricted shares at the end of the reporting period	Reasons for change in restricted shares	Date of releasing selling restrictions
Participants for restricted shares	181,266,700	57,477,004	0	123,789,696	The unlocking conditions for the first unlocking period under the first grant of the 2021 Restricted Share Incentive Scheme were fulfilled and 55,910,838 restricted shares were unlocked and listed. 1,566,166 restricted shares were repurchased and cancelled as the unlocking conditions were not fulfilled.	23 February 2024
Total	181,266,700	57,477,004	0	123,789,696		

2 Information on Shareholders

(1) Total number of shareholders

Total number of holders of ordinary shares as at the end of the reporting period	475,528
Total number of holders of preference shares with reinstated voting rights as at the end of the reporting period	0

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(2) Shareholdings of the top ten shareholders

Unit: Shares

Name of shareholder	Increase/ decrease during the reporting period	Total number of shares held at the end of the reporting period	Shareholding percentage (%)	Number of shares with selling restrictions	Number of pledged or frozen shares Conditions of shares	Number	Nature of shareholder
CREC (Note 1)	0	11,623,119,890	46.96	0	Nil	0	State-owned legal person
HKSCC Nominees Limited (Note 2)	507,029	4,010,711,746	16.20	0	Nil	0	Other
China Reform Development Investment Management Co., Ltd.	285,858,404	742,605,892	3.00	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	0	619,264,325	2.50	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited (Note 3)	39,860,640	582,163,110	2.35	0	Nil	0	Other
Central Huijin Assets Management Co., Ltd.	0	230,435,700	0.93	0	Nil	0	State-owned legal person
Industrial and Commercial Bank of China – Shanghai 50 Exchange-traded Open-End Index Securities Investment Fund	39,676,500	164,867,542	0.67	0	Nil	0	Other
China Great Wall Asset Management Co., Ltd.	0	138,562,835	0.56	0	Nil	0	State-owned legal person
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Central European Fund – Agricultural Bank of China – Central European China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Yinhua Fund – Agricultural Bank of China – Yinhua Fund China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	0	131,135,600	0.53	0	Nil	0	Other
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 relations and concerted actions between the shareholders above		CREC, the largest shareholder, does not have related relations or acting-in-concert relationship with the other above shareholders. The Company is not aware of any related relationships 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: CREC held 11,623,119,890 shares of the Company, including 11,458,725,890 A shares and 164,394,000 H shares of the Company.

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

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

Note 4: The numbers shown in the table are based on the register of members of the Company as at 30 June 2024.

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(3) Shareholdings of the top ten shareholders without selling restrictions

Unit: Shares

Name of shareholder	Number of shares held without selling restrictions	Type and number of shares	
		Type	Quantity
CREC (Note 1)	11,458,725,890	RMB-denominated ordinary shares	11,458,725,890
	164,394,000	Overseas listed foreign shares	164,394,000
HKSCC Nominees Limited (Note 2)	4,010,711,746	Overseas listed foreign shares	4,010,711,746
China Reform Development Investment Management Co., Ltd.	742,605,892	RMB-denominated ordinary shares	742,605,892
China Securities Finance Corporation Limited	619,264,325	RMB-denominated ordinary shares	619,264,325
Hong Kong Securities Clearing Company Limited (Note 3)	582,163,110	RMB-denominated ordinary shares	582,163,110
Central Huijin Assets Management Co., Ltd.	230,435,700	RMB-denominated ordinary shares	230,435,700
Industrial and Commercial Bank of China – Shanghai 50 Exchange-traded Open-End Index Securities Investment Fund	164,867,542	RMB-denominated ordinary shares	164,867,542
China Great Wall Asset Management Co., Ltd.	138,562,835	RMB-denominated ordinary shares	138,562,835
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
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
Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan	131,135,600	RMB-denominated ordinary shares	131,135,600
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 accounts for repurchase of the top ten shareholders	Nil		
Statement on entrustment of voting right, voting right by proxy and abstaining from voting of the shareholders above	Nil		
Statement on the related relations and concerted actions among the shareholders above		CREC, the largest shareholder, does not have related relations or perform concerted actions with the other above shareholders. The Company is not aware of any related relationships or concerted action relationships among the other above shareholders.	
Statement on the shareholders of preferred shares with reinstated voting rights and the number of shares held			Nil

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

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

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

Note 4: The numbers shown in the table are based on the register of members of the Company as at 30 June 2024.

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

- (4) **Particulars of shares lent in the refinancing business by shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders without selling restrictions**

Not applicable

- (5) **Change in top ten shareholders and the top ten shareholders without selling restrictions as compared to the previous period as a result of refinancing lending/returning**

Not applicable

- (6) **Shareholdings of the top ten shareholders with selling restrictions**

Not applicable

- (7) **Strategic investors or general legal persons becoming the top ten shareholders by placing of new shares**

Not applicable

3 Information on Directors, Supervisors and Senior Management

(1) Changes in the shareholdings of incumbent directors, supervisors and senior management and those departed during the reporting period

Not applicable

(2) Share incentives granted to the directors, supervisors and senior management during the reporting period

Not applicable

4 Changes in the Controlling Shareholder or the Ultimate Controller

Not applicable

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

During the six months ended 30 June 2024, the Company repurchased and cancelled part of the restricted A shares granted under the 2021 restricted share incentive scheme of the Company.

The Company completed the repurchase and cancellation of 1,566,166 restricted shares that had been granted to 7 participants under the first grant 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). The repurchase price of the restricted shares repurchased from 5 participants was RMB3.154 per share, and the repurchase price of the restricted shares repurchased from 2 participants was RMB3.154 per share plus the interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period. Please refer to the announcements (dated 29 December 2023 and 6 March 2024) published on the website of the Hong Kong Stock Exchange.

Save for the above, during the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

As at 30 June 2024, none of the directors, supervisors and chief executive of the Company had any interests and short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (the "Model Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules").

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

7 Interests and Short Positions of Substantial Shareholders and Other Persons in Shares and Underlying Shares

As at 30 June 2024, the Company has been notified of the following 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:

Holders of A Shares

Name of substantial shareholder	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	55.78	46.30

Holders of H Shares

Name of substantial shareholder	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 corporation	284,940,089	Long position	6.77	1.15
		9,362,000	Short position	0.22	0.04
JPMorgan Chase & Co.	Interest of controlled corporation	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 corporation	210,186,560	Long position	5.00	0.85
		94,560,550	Short position	2.25	0.38

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Notes:

- 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:

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

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

Name of substantial shareholder	Long position				Short position			
	Listed equity derivatives payment in kind	Listed equity derivatives settled in cash	Non-listed equity derivatives payment in kind	Non-listed equity derivatives settled in cash	Listed equity derivatives payment in kind	Listed equity derivatives settled in cash	Non-listed equity derivatives payment in kind	Non-listed equity derivatives settled in cash
BlackRock, Inc.	-	-	-	13,621,000	-	-	-	9,362,000
Deutsche Bank Aktiengesellschaft	-	-	-	17,624,000	-	-	-	10,166,000
Lehman Brothers Holdings Inc.	-	-	10,000,000	-	-	-	60,000	-

Apart from the foregoing, as at 30 June 2024, 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 by the Company under Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1 Directors

The directors of the Company during the six months ended 30 June 2024 are as follows:

Name	Age	Position
Mr. CHEN Yun	61	Chairman and Executive Director
Mr. CHEN Wenjian	51	Executive Director and President
Mr. WANG Shiqi	58	Executive Director
Mr. WEN Limin	58	Non-executive Director
Mr. CHUNG Shui Ming Timpson	72	Independent Non-executive Director
Mr. ZHANG Cheng	66	Independent Non-executive Director
Mr. XIU Long	67	Independent Non-executive Director

2 Supervisors

The supervisors of the Company during the six months ended 30 June 2024 are as follows:

Name	Age	Position
Mr. JIA Huiping	59	Chairman of the Supervisory Committee and Shareholder Representative Supervisor
Mr. LI Xiaosheng	51	Employee Representative Supervisor
Mr. WANG Xinhua	53	Employee Representative Supervisor
Mr. WAN Ming	53	Employee Representative Supervisor

3 Senior Management

The senior management of the Company during the six months ended 30 June 2024 are as follows:

Name	Age	Position
Mr. CHEN Wenjian	51	Executive Director and President
Mr. SUN Cui	58	Chief Accountant
Mr. LIU Baolong	60	Vice President
Mr. REN Hongpeng	50	Vice President
Mr. KONG Dun	58	Vice President and Chief Engineer
Mr. MA Jiangqian	55	Vice President
Mr. LI Xinsheng	44	Vice President
Mr. ZHAO Bin	54	Chief Economist
Mr. GENG Shubiao	46	President's Assistant
Mr. HAN Yonggang	52	Safety Production Director
Mr. TAM Chun Chung	51	Joint Company Secretary

4 Change of Directors, Supervisors and Senior Management

On 29 April 2024, the Company held the 39th meeting of the fifth session of the Board of Directors. On 29 April 2024, the Company's board of directors received the written resignation from Mr. HE Wen as the secretary of the Board of Directors and a joint company secretary of the Company. Due to reaching retirement age, Mr. HE Wen applied to resign as the secretary of the Board of Directors and a joint company secretary of the Company with effect from 1 May 2024.

On 24 May 2024, the Company held the 40th meeting of the fifth session of the Board of Directors, reviewed and approved the Proposal on the Appointment of Safety Production Director of the Company and appointed Mr. HAN Yonggang as the safety production director of the Company. The appointment period started from date of approval in this board meeting until the fifth session of the Board of Directors completes the election of the new session of the Board of Directors.

On 4 July 2024, the Company held the 42nd meeting of the fifth session of the Board of Directors, which reviewed and approved the Proposal on the Appointment of Secretary to the Board of Directors of the Company and appointed Mr. MA Yonghong as the secretary of the Board of Directors of the Company for a term commencing from the date of approval in this board meeting until the fifth session of the Board of Directors completes the election of the new session of the Board of Directors.

On 29 July 2024, the Company held the 43rd meeting of the fifth session of the Board of Directors, which reviewed and approved the Proposal on the Dismissal of Mr. LIU Baolong as Vice President of the Company and the Proposal on the Appointment of Vice President of the Company. Mr. LIU Baolong was dismissed from his position as the vice president of the Company due to retirement. Mr. HUANG Chao was appointed as the vice president of the Company, with the appointment period commencing from the date of approval in this board meeting until the fifth session of the Board of Directors completes the election of the new session of the Board of Directors.

On 20 August 2024, the Company held the first extraordinary general meeting in 2024, electing Mr. CHEN Yun, Mr. CHEN Wenjian, and Mr. WANG Shiqi as the executive Directors of the Company, Mr. WEN Limin as the non-executive Director of the Company, and Mr. XIU Long, Ms. SUN Lishi and Mr. TU Haiming as the independent non-executive Directors of the Company, and the term of office is three years commencing from the date of approval in this extraordinary general meeting until the expiry of the term of the sixth session of the Board of Directors.

On 20 August 2024, the Company held the first meeting of the sixth session of the Board of Directors, and reviewed and approved seven proposals including the Proposal on the Election of the Chairman of the Sixth Session of the Board of Directors of the Company and the Proposal on the Establishment of Committees of the Sixth Session of the Board of Directors of the Company, agreeing to appoint Mr. CHEN Yun as the chairman of the Company, Mr. CHEN Wenjian as the president of the Company, Mr. SUN Cui as the chief accountant of the Company, Mr. REN Hongpeng and Mr. HUANG Chao as the vice presidents of the Company, Mr. KONG Dun as the vice president and chief engineer of the Company, Mr. MA Jiangqian and Mr. LI Xinsheng as the vice presidents of the Company, Mr. Zhao Bin as the chief economist of the Company, Mr. GENG Shubiao as the president's assistant of the Company, Mr. MA Yonghong as the secretary to the Board of Directors of the Company and a joint company secretary of the Company, Mr. HAN Yonggang as the safety production director of the Company, Mr. TAM Chun Chung as a joint company secretary of the Company, and Ms. DUAN Yinhua as the securities representative of the Company, with the term of office commencing from the date of approval in this board meeting until the expiry of the term of the sixth session of the Board of Directors.

5 Human Resources and Emolument Policy

The Group continues to improve the market-oriented salary distribution mechanism in accordance with the requirements of the modern enterprise system. The Group has promulgated the Income Distribution Management Measures of China Railway Group Limited to further optimize the total salary management and implement the requirements of “wage benefit linkage, efficiency benchmarking adjustment, and salary level regulation”. On the basis of precise assessment, the total salary of each unit is pegged to business performance, input-output efficiency, and labor productivity. The Group actively promotes medium and long-term incentive work, coordinate the use of equity incentives of the listed company, technology enterprise equity and dividend incentives, excess profit sharing, follow-up investment and other incentive tools, and strives to expand coverage and improve quality. The Group standardizes the order of salary distribution, deepens the reform of increasing and reducing income, strengthens the standardized management of subsidies and benefits, and strictly enforces the discipline of salary distribution.

Employee remuneration of the Group comprises basic salary, performance-based bonus and allowances and subsidies. In accordance with PRC laws, the Group entered into an employment contract with each of its employees. Such contracts include provisions on wages, employee vacation, benefits, training programs, health and safety, confidentiality obligations and grounds for termination. In accordance with state policies, the Company makes contributions in full to the employee aged-care insurance, medical insurance, unemployment insurance and work injury compensation insurance as well as employee housing provident fund. In addition to statutory contributions, the Group also provides voluntary benefits to employees which include enterprise annuities for employees.

The remuneration of executive directors of the Company is on an annual basis and consists of base annual salary and performance-based annual bonus. According to the Salary (Remuneration, Work Subsidy) Management Measures of Directors and Supervisors of China Railway Group Limited, the remuneration of an independent non-executive director shall be determined with reference to provisions on the board of directors’ pilot scheme of remuneration and treatment of external directors of central enterprises issued by the SASAC. For the head of central enterprises who has left the current office and serves as an independent non-executive director, the remuneration shall be determined with reference to the requirements of the SASAC on the relevant matters regarding the payment of work subsidies for the head of central enterprises who has left the current office and serves as an external director as well as the performance evaluation results.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the six months ended 30 June 2024, the remuneration expenses of our employees is RMB27.654 billion. As at 30 June 2024, the Group had 293,192 employees. The following table sets out the classification of the Group's employees by professional composition as of 30 June 2024:

Professional composition	Number of employees as of 30 June 2024
Production staff	29,732
Sales staff	12,654
Technical staff	190,622
Finance staff	14,551
Administrative staff	45,633
Total	293,192

Education level	Number of employees as of 30 June 2024
PhD candidate	391
Master's degree candidate	15,506
Bachelor	180,959
Junior college and below	96,336
Total	293,192

6 Dealings of Securities by Directors and Supervisors

The Company has adopted the Model Code as the code of conduct regarding securities transactions by directors and supervisors. The Company has made enquiries to all directors and supervisors, each director and supervisor confirmed that he or she has complied with the required standard set out in the Model Code throughout the period from 1 January 2024 to 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

China Railway 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 Company holds an industrial leading position in fields such as engineering construction, design consulting, and equipment manufacturing. The Company also diversifies its business and expands its value-added services by venturing into other businesses such as property development, financial and merchandise trading, asset operation and resource utilization. After years of practice and development, the Company have gradually formed a vertically integrated construction industry chain with outstanding principal business supplemented by diversified relevant business horizontally.

1 Industry Development Overview

Engineering construction

Domestically, 2024 is a crucial year for achieving the objectives and tasks laid down in the 14th Five-Year Plan. In the first half of the year, China's economy generally operated at a stable pace with progress made amidst stability, extending the upward trend, while the fostering of new drivers and advantages was accelerated with solid progress in high-quality development achieved. According to the data released by the National Bureau of Statistics, in the first half of the year, the gross domestic product (GDP) in China amounted to RMB61.7 trillion, representing a year-on-year increase of 5.0%; the fixed assets investments nationwide (excluding rural households) amounted to RMB24,539.1 billion, representing a year-on-year increase of 3.9%. By industry, the investment in infrastructure (excluding the production and supply of electricity, heat, gas and water) grew by 5.4% year on year, of which the investment in water conservancy management grew by 27.4%, in air transport grew by 23.7%, in rail transport grew by 18.5%, and in road transport dropped by 1% year on year. By field, the national fixed asset investment in transportation amounted to RMB1.7 trillion. In particular, the fixed asset investment in railways increased by 10.6% year on year to RMB337.3 billion, hitting a record high for the same period; the investment in highways decreased by 13.2% year on year to RMB1.2 trillion; the investment in waterways increased by 9.5% year on year to RMB102.5 billion. With regard to urban rail transit, in the first half of the year, a total of 11,409.79 kilometers of urban rail transit lines were put into operation in 58 cities in Mainland China, with 194.06 kilometers of urban rail transit lines added, but no increase in the number of cities operating urban rail transit.

According to the latest data released by the Ministry of Finance, in the first half of 2024, an additional RMB1,493.5 billion of special-purpose bonds for local governments were issued nationwide, representing a decline of RMB678.5 billion as compared to the same period last year. Judging from the fields that Chinese government invested in such as the treasury bonds of RMB1 trillion issued last year and the ultra-long special treasury bonds issued this year, and based on the requirements under the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively and Advancing Chinese Modernization 《中共中央關於進一步全面深化改革、推進中國式現代化的決定》, the Chinese government will place more focus on fundamental major projects with public interests in the long run when investing in infrastructure. With the successive implementation of the important initiatives deployed at the Third Plenary Session of the 20th CPC Central Committee, including the reform on integrated transportation system, the reform on railway system, the optimization of policy on toll highways and the reform in the field of major hydraulic projects, the niche segments of infrastructure have shown differentiated performance.

Internationally, in light of the weak momentum of the global economic growth, as well as the frequently-occurred geopolitical conflicts, international trade frictions and other issues since the beginning of this year, China's foreign contracted engineering projects and labour cooperation industries were facing more complicated and severe external environment. According to the statistics issued by the Ministry of Commerce, in the first half of 2024, China's overseas contracted engineering projects achieved a turnover of RMB513.34 billion, a year-on-year increase of 4.7% (equivalent to US\$72.25 billion, an increase of 2.2%), and newly signed contracts amounted to RMB820.92 billion, an increase of 25.1% (equivalent to US\$115.54 billion, an

increase of 22%). Among them, Chinese enterprises signed new contracts of RMB663.26 billion for overseas contracted engineering projects in countries jointly contributing to the “Belt and Road”, an increase of 21.5% (equivalent to US\$93.35 billion, an increase of 18.5%). The turnover achieved RMB418.63 billion, an increase of 3.2% (equivalent to US\$58.92 billion, an increase of 0.7%). In the coming future, the Chinese government will strengthen communication and connectivity in policies with relevant authorities of collaborating countries, in order to deepen capacity cooperation, cooperation with third-party markets, as well as cooperation on infrastructure interconnectivity and projects for public well-being under the “Belt and Road” initiative, while guiding enterprises to continuously develop high-quality landmark projects and “small yet beautiful (小而美)” projects in compliance with market principles and international practices, thus achieving complementary advantages and mutual benefits.

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, and the 14th Five-Year Plan for the Development of the Engineering Survey and Design Industry, development of the industry is facing new challenges posed by the transformation towards digitization, intelligence and greenization. At present, the China government puts in sustained efforts to facilitate the construction in fields such as integrated transport, aviation, low-altitude economy and major water conservancy projects, with the major regional strategies including the development of Western China, the revitalization of Northeast China, the rise of Central China and the economic integration in Yangtze River Delta achieving mutual progress and promotion, offering more market opportunities for the design and consulting industry.

Equipment manufacturing

In recent years, the pace of high-end, smart, green and web-based development of China’s manufacturing sector was continuously accelerated, structural adjustment, transformation and upgrading were further advanced, with focus on the improvement of efficiency and effectiveness, advanced production capacity, as well as independent and controllable capacity. Meanwhile, both the digital transformation and in-depth integration between novel technologies such as artificial intelligence with all factors of manufacturing during the whole process were accelerated, which is bound to bring new opportunities and challenges for equipment manufacturing enterprises. It is proposed in the 2024 Government Work Report that, an initiative for pursuing high-quality development of key manufacturing chains will be launched, with a focus on shoring up weak links, reinforcing strengths, and fostering new capabilities, so as to enhance the resilience and competitiveness of industrial and supply chains, and that the Chinese government will carry out technology transformation and upgrading in the manufacturing sector, foster and build up advanced manufacturing clusters, and develop national demonstration zones for new industrialization. Since the beginning of this year, the Action Plan for Promoting Large-Scale Equipment Renewal and Trade-in of Consumer Goods (《推動大規模設備更新和消費品以舊換新行動方案》), the Notice on the Implementation of the Policy on Providing Interest Subsidies by the Government for Equipment Renewal Loan (《關於實施設備更新貸款財政貼息政策的通知》) and other policies have been consecutively launched. On 25 July, the Several Measures on Strengthening Support for Large-Scale Equipment Renewal and Trade-in of Consumer Goods (《關於加力支持大規模設備更新和消費品以舊換新的若干措施》) was jointly issued by the National Development and Reform Commission and the Ministry of Finance, pursuant to which, the Chinese government would issue about RMB300.0 billion of ultra-long special treasury bonds, which would be used for equipment renewal and trade-in of consumer goods, creating greater growth potential for equipment manufacturing industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Property development

In the first half of 2024, given the fact that the property industry in China was experiencing ongoing restructuring, property enterprises sustained to suffer pressure in terms of cash collection. According to the data released by the National Bureau of Statistics, in the first half of 2024, the property development investments nationwide amounted to RMB5,252.9 billion, representing a year-on-year decline of 10.1%, of which, the investments in residential housing amounted to RMB3,988.3 billion, representing a year-on-year decline of 10.4%. The sales area of newly-built commercial housing nationwide amounted to 479.16 million square meters, representing a year-on-year decrease of 19%, of which, the sales area of residential housing decreased by 21.9% year on year. The sales amount of newly-built commercial housing reached RMB4,713.3 billion, representing a year-on-year decline of 25%, of which, the sales amount of residential housing decreased by 26.9% year on year. It is clearly stated in the 2024 Government Work Report that, the real estate policies this year would focus on maintaining steady development of the real estate market, preventing risks, promoting transformation and other aspects. At the meeting of the CPC Central Committee Politburo held on 30 April, the government set the tone for the real estate policies and proposed to “coordinate research on policies and measures to absorb existing housing inventory and optimize supply of new housing”. On 17 May, “a package of” new policies focusing on stabilizing the market and destocking for the real estate market were launched. At the executive meeting of the State Council held on 7 June, it was expressively restated that the government shall “not only think out of the box and keep open-minded, but also take prudent approach and make solid progress during works such as absorbing and revitalizing existing housing inventory and land bank”. It was further proposed at the Third Plenary Session of the 20th CPC Central Committee held on 18 July that, “the government shall accelerate the establishment of rent and purchase housing system; accelerate the construction of a new model of real estate development and increase the construction and supply of affordable housing to meet the rigid housing demand of wage earners; and support the diversified improved housing demands of urban and rural residents. Municipal governments will be given greater decision-making powers to regulate the real estate market and adopt tailor-made measures, some cities will be permitted to abolish or reduce restrictions on housing purchases and to scrap relevant standards for ordinary and non-ordinary residential housing. A reform on the financing way of property development and the pre-sale system of commodity residential properties shall be conducted. The taxation system of the real estate shall also be improved.” With the continuous implementation of various policies to destock, stabilize the market and prevent risks, it is expected that there will be an improvement in commercial housing market in the second half of the year. Meanwhile, the loans for development of government-subsidized housing, the loans for the construction of “dual-use” public infrastructure, the supporting funds of special borrowing for the redevelopment of urban villages will be continuously released, and Three Major Projects will play an active role in stabilizing investment and demands and other aspects.

Asset operation

In recent years, China has continuously placed intensified efforts in the reform of investment and financing mechanism. The mechanism is characterized by a new franchise model which focuses on user payment and strict control of local hidden debt, and encourages qualified 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. In the current stage of sustained recovery of the national economy, the country will accelerate the construction of “new infrastructure and new urbanization initiatives and major projects”, actively promote the transformation of urban villages and the construction of “dual-use” public infrastructure, and shore up weak spots in the areas of infrastructure, municipal engineering, rural areas and agriculture, public safety, ecological protection, public health, material reserves, disaster prevention and mitigation, and ensuring the people’s livelihood, bringing new opportunities for the industry in terms of

infrastructure investment. In July, the NDRC issued the Notice on Thoroughly Promoting the Normalized Launch of Projects of Infrastructure Real Estate Investment Trusts (REITs), creating more opportunities and greater potential for infrastructure enterprises to revitalize stock assets. Despite the launch of the new public-private partnership mechanism, the implementation of the new mechanism was still in transition phase in the first half of the year where the supporting papers were gradually improved and existing projects were checked up and rectified. In order to meet relevant requirements under the new mechanism, adjustments were made to all the application, approval and bidding procedures of an investment project. Moreover, newly launched projects in the infrastructure investment market experienced decline in number and scale as compared to the same period last year.

Resource utilization

Since the beginning of this year, with continuous expansion of the new energy industry, there has been a rising supply risk, leading to a higher non-ferrous metal price. Suppose the global manufacturing continue to record upward performance with the energy transition and the extensive application of electrification continued, non-ferrous metal price will extend the upward trend in the medium to long term. China is currently at the crucial period of transforming development pattern, optimizing the economic structure and switching the driving force, accordingly, all sectors are vigorously fostering and developing new quality productive forces. Against this background, non-ferrous metal is regarded as the basis and important safeguard for production of crucial materials. Due to the facts that China possesses complete industry chain for non-ferrous metal and that it is utilized in increasingly more extensive fields, our non-ferrous metal products are highly competitive in the global market. In terms of price, the average price of LME copper in the first half the year was US\$9,097/ton, representing a year-on-year increase of 4.56%. For cobalt products, the cobalt price showed a low yet volatile trend in the first half of the year driven by the significant increase in the supply and import of cobalt resources, which has resulted in overall surplus in the cobalt market. For molybdenum products, the average price of molybdenum concentrate (45%-50%) in the first half the year was RMB3,504/ton, representing a year-on-year decline of 8.15%.

Financial and merchandise trading

In the first half of 2024, the Chinese government stuck to prioritizing stability and pursuing progress while ensuring stability in the implementation of macro-economic policies, adopted prudent monetary policies of flexible and moderate, precise and effective, and intensified counter-cyclical adjustments by comprehensively utilizing interest rate, reserve funds, re-lending and other tools to earnestly serve the real economy and effectively prevent and control financial risks, thus creating suitable monetary and financial environment for economic rebound. In the trust industry, there were interweaved challenges as reflected in the facts that the regulatory environment was undergoing profound changes, the risk categories were remarkably increased and the market competition became increasingly fierce. In the finance company industry, the National Financial Regulatory Administration issued the Guiding Opinions on Promoting the Orderly and Healthy Development of Corporate Group Finance Companies and Improving the Quality and Efficiency of Supervision on 29 April, which guided the finance company to return to origins and focus on main businesses, aiming to truly boost the quality of financial service by giving full play to the function of centralized fund management.

MANAGEMENT DISCUSSION AND ANALYSIS

With the comprehensive application of information technology, the global cooperation in merchandise trading has been further promoted. Due to the high variety of products, frequent price changes, high degree of homogeneity, relatively low entry threshold, fierce market competition and other factors, the overall profit margin of the merchandise trading industry is low. The profit space of merchandise trading industry is gradually narrowing, which leads to the increasing demand for cost saving through supply chain management. More and more merchandise traders have begun to integrate the industrial chain of upstream and downstream, gradually transformed to supply chain management, and improved profit margins by providing multi-variety, full-chain and one-stop services for end users.

Emerging businesses

China's 14th Five-Year Plan and the Long-Range Objectives through the Year 2035 pointed out that it is necessary to promote the construction of traditional and new infrastructure in a well-coordinated way, and build a modernized infrastructure system that is systematic and complete, efficient and practical, intelligent and green, and safe and reliable. It is proposed to expedite the construction of new infrastructure and a strong transportation country, build a modern energy system, and strengthen the construction of water conservancy infrastructure. On 11 August, the CPC Central Committee and the State Council jointly published the Opinions on Accelerating the Comprehensive Transition Towards Green Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》), which pointed out that the market scale of energy conservation and environmental protection industry is expected to reach about RMB15 trillion by 2030; in the coming future, the construction of green transportation infrastructure will be advanced by developing photovoltaic projects along highways based on local conditions; and strenuous efforts will be placed to develop green and low-carbon building in order to facilitate the integrated construction of building and photovoltaic projects. As for water conservancy and hydropower, the Outline of National Water Network Construction Plan targeted to construct a national water network that is "systematically complete, safe and reliable, intensive and efficient, green and intelligent, smoothly circulating and orderly regulated" so as to steadily promote the construction of national water network by focusing on networking, repairing the network and strengthening the chain. In the first half of 2024, the country invested RMB569.0 billion in water conservancy construction, a year-on-year increase of 9.9%; commenced the construction of 38,000 water conservancy projects nationwide, a year-on-year increase of 23%; additional treasury bonds were issued for more than 7,800 water conservancy projects, all of which have commenced construction. On the clean energy front, the country set a goal to achieve carbon peak and carbon neutrality, coordinated the safe supply and green and low-carbon development of energy, and made all-around efforts to enhance the supply of clean power with new progress made in the development of renewable energy. In the first half of 2024, the newly installed capacity of renewable energy generation in China amounted to 134 million kW, a year-on-year growth of 24%, accounting for 88% of the country's newly installed electricity capacity. The newly installed capacity includes 4.99 million kW of increase in hydroelectricity, 25.84 million kW of increase in wind power, 102 million kW of increase in solar power generation, and 1.16 million kW of increase in biomass power generation.

2 Business Development Overview

In the first half of the year, the Group earnestly implemented the decision-making and deployment of the Party Central Committee and the State Council, thoroughly implemented the work requirements of the SASAC, actively responded to multiple internal and external risks and challenges, focused on the annual goal and the arrangements of the work conference at the beginning of the year, anchored on the primary task of high-quality development, spared no effort in operation, rectification, reform and risk control, and achieved certain results in all tasks.

First, the Group focused on its core responsibilities and business, and bravely undertook its mission of “Shouldering the Responsibility of China Construction”. The Group adhered to the strategic positioning of “Five Roles of China Railway” in the new era, focused on engineering construction, design and consulting, equipment manufacturing and engineering services, strengthened its leadership in advantageous industries, and consolidated its globally leading position in the industry. The Group focused on infrastructure investment and operation business, consolidated industry leading advantages in the field of transportation infrastructure, and built first-class professional comprehensive service capabilities in the fields of urban, water conservancy and ecological environment. The Group focused on featured property business, optimized the layout structure, strengthened risk prevention and control, highlighted brand characteristics, and enhanced innovative development and healthy development capabilities. The Group focused on resource utilization business, served national important strategic mineral resources to increase reserves and production, strengthened professional operation and industrial linkage, and enhanced sustainable development capacity. Since the beginning of this year, the plateau railway has progressed smoothly, the Shenzhen-Zhongshan Bridge has been officially put into operation, Qinling Station, China’s fifth station in Antarctica, has opened upon completion of construction, and a number of overseas representative projects have been put into operation, including the flagship project of China-Central and Eastern Europe cooperation – the Hungary-Serbia Railway (Hungary Section) continues to be steadily implemented and the Padma Bridge Railway Connection Line Project in Bangladesh.

Second, the Group expanded its “second curve” business to inject new momentum into high-quality development. During the “14th Five-Year Plan” period, as China vigorously cultivates “new productive forces” and continues to promote comprehensive and high-quality development, water conservancy and hydropower, clean energy and ecological environmental protection sectors have become key areas of national infrastructure investment with high policy attention, large gap between market supply and demand, and fast development, especially with the combined efforts of existing policies and new policies, the infrastructure construction such as water conservancy and environmental protection has ushered in unprecedented historic opportunities. In recent years, the Group has seized the opportunity to accelerate the development of the “second curve” business, systematically carried out qualification upgrading, performance accumulation, credit evaluation and project excellence, and continued to strengthen the business elements and optimize the industrial structure. In terms of policy guarantee, the Group continued to strengthen the top-level design and introduced a series of targeted measures in respect of optimizing resource allocation, performance appraisal, industrial coordination and organizational guarantee, fully mobilizing the superior forces of the Company to actively participate in the “second curve” business. In the first half of the year, the value of new contracts of the “second curve” emerging business of the Group was RMB166.33 billion, representing a year-on-year increase of 32.1%. Positive breakthroughs in principal businesses, steadily increased market share and continuously improved development trend promoted the Group’s operation and development work to take another step forward and open a new situation, continued to improve the Group’s industrial structure and business layout, and injected new momentum into the Group’s high-quality development.

Third, the Group grasped the development trend to accelerate the transformation and upgrading of traditional industries.

The Group firmly implemented the major deployment of the Party Central Committee on building a modern industrial system, and promoted the transformation and upgrading of the construction industry towards digitization, intelligence and green development. First, the Group deepened the application of new-generation information technology. The Group successfully established a smart operation and maintenance management system for urban infrastructure, which was applied to cities such as Wuhan, Liuzhou and Nantong, achieving remarkable results. Intelligent radar system for tunnels, intelligent monitoring system for railway infrastructure and geological disasters, intelligent operation and maintenance system for expressways, and intelligent water information platform have been put into use to significantly improve operation and maintenance efficiency. Second, the Group promoted the deep integration and development of intelligent technologies and construction technologies, and deeply implemented the “AI+” special action. The Group carried out the construction of intelligent construction comprehensive application demonstration project, launched its self-developed DICC digital intelligence construction cloud platform at the 2023 World Manufacturing Convention to build its industrial competitive advantage driven by intelligent construction innovation, formulated a special action plan of “AI+” to jointly develop demonstration scenarios and improve construction level, and proactively empowered the transformation and upgrading of traditional industries through technologies such as large models and intelligent algorithms to promote the value utilization of data assets. Third, the Group promoted large-scale equipment upgrading. The Group accelerated the elimination of backward equipment, increased investment in advanced equipment, strengthened equipment transformation and upgrading, improved the level of green utilization of equipment, accelerated digital transformation, and built new-generation smart factories such as intelligent bridge transport auxiliary decision-making equipment, concrete prefabricated parts, reinforcement steel and steel processing.

Fourth, the Group strengthened organizational leadership and coordinated the implementation of reform deepening and improvement campaign.

The Group deeply carried out state-owned enterprise reform deepening and improvement campaign, insisted on seeking motivation from reform and promoted the reform deepening and improvement campaign in stages. The Group’s reform deepening and improvement campaign involves 29 key reform tasks in 6 fields, with a total of 467 work measures. As of the first half of 2024, the overall completion rate was 57.7%, and the completion rate of the reform tasks of most secondary units was more than 60%. The Group launched the revitalization and development campaign for member enterprises in difficulty, and carried out Top 20 Engineering Companies of Grade 3 evaluation for 11 consecutive years. In the special evaluation of “Science and Technology Reform Action” and “Double Hundred Action” for central enterprises in 2023, the Group was recognized for its overall outstanding results, China Railway Engineering Equipment Group Co., Ltd., China Railway No.1 Engineering Group Co., Ltd. and China Railway Construction Engineering Group No.4 Construction Co., Ltd. were awarded as “benchmark”, and China Railway Major Bridge Engineering, China Railway Communications Investment Group Co., Ltd. and China Railway Eryuan Engineering Group Co. Ltd. were awarded as “excellent”. The Group adhered to promotion of development by innovation, accelerated the tasks for critical projects of central enterprises (phase II), and the SASAC officially approved China Railway’s construction task of a green and low-carbon innovative technology source for rail transit infrastructure. The Group launched the “Ten Hundred Thousand Million (十百千萬)” science and technology talent training project, and 2 teams were awarded the “National Excellent Engineer Team”, and five achievements were awarded the National Science and Technology Award in 2023, ranking the first among the central construction enterprises.

MANAGEMENT DISCUSSION AND ANALYSIS

The Political Bureau meeting of the CPC Central Committee on July 30 pointed out that our country's current external environment changes have increasingly brought about adverse impacts, domestic effective demand is insufficient, economic operations are differentiated, and there are still many risks and hazards in key areas. Based on the study and judgment of the macroeconomic and industry development situation, and combined with the actual completion of various indicators in the first half of the year, the Company has adjusted the planned value of annual new contracts to RMB2.85 trillion and the planned operating income to RMB1.234 trillion.

In the first half of 2024, the value of new contracts of the Group was RMB1,078.50 billion, representing a year-on-year decrease of 15.3%. The value of new contracts of domestic business amounted to RMB996.12 billion, representing a year-on-year decrease of 16.2%; the value of new contracts of overseas business amounted to RMB82.38 billion, representing a year-on-year decrease of 2.3%. As at the end of the reporting period, the value of the Group's contract backlog was RMB6,222.87 billion, representing an increase of 5.9% from the end of 2023. The value of new contracts by business segment is set out as below:

Value of New Contracts

Unit: 100 million Currency: RMB

Business type	First half of 2024	First half of 2023	Year-on-year increase/ decrease
Engineering construction	7,802.2	9,291.7	-16.0%
Design and consulting	144.2	155.3	-7.1%
Equipment manufacturing	294.5	358.1	-17.8%
Featured property	132.5	361.2	-63.3%
Asset operation	245.1	780.3	-68.6%
Resource utilization	138.3	117.8	17.4%
Financial and merchandise trading	364.9	414.4	-11.9%
Emerging businesses	1,663.3	1,258.7	32.1%
Total	10,785.0	12,737.5	-15.3%
Including: Domestic	9,961.2	11,893.9	-16.2%
Overseas	823.8	843.6	-2.3%

Engineering construction

Engineering construction is the core business segment 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 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.

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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 had 3,617 qualifications and permits of various kinds, including 84 special-grade qualifications for construction general contracting, 416 grade A qualifications for construction general contracting, 4 general design qualifications, 7 general survey qualifications, 2 general supervision qualifications, 2 installation permits for long-distance pipeline GA1 and 1 GA1 design permit. 84 special-grade qualifications for construction general contracting include 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; 34 general contracting qualifications for highway construction at special grade; 21 general contracting qualifications for engineering construction at special grade; 9 general contracting qualifications for municipal public engineering at special grade; 1 general contracting qualification for port and waterway construction at special grade; and 1 general contracting qualification for water conservancy and hydropower construction at special grade, which was obtained during the year and filled the gap of high-level scarce qualification in the "second curve" hydropower market. 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), 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 value of new contracts for the engineering construction business of the Group was RMB780.22 billion, representing a year-on-year decrease of 16.0%. Due to factors such as urbanization enhancement with pace slowdown and the greater pressure of local debt resolution, the incremental market in the fields of highways, municipal works and urban rail has shrunk significantly. From a business segment perspective: ①The value of new contracts for railway construction business amounted to RMB134.49 billion, representing a year-on-year increase of 5.0%. ②The value of new contracts for highways construction business amounted to RMB58.06 billion, representing a year-on-year decrease of 10.5%. ③The value of new contracts for municipal works business amounted to RMB70.94 billion, representing a year-on-year decrease of 30.5%. ④The value of new contracts for urban rail business amounted to RMB26.98 billion, representing a year-on-year decrease of 62.3%. ⑤The value of new contracts for housing construction business amounted to RMB440.85 billion, representing a year-on-year decrease of 18.0%. ⑥The value of new contracts for other businesses amounted to RMB48.90 billion, representing a year-on-year increase of 94.4%.

Design and consulting

Design and consulting is the core business segment of the Group, an important engine for leading the upgrading of technology and industry of the Group and driving the development of other businesses, 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 basic 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 conservancy and hydropower, water transport survey and design. The Group constantly expands into new industries and new fields such as modern tramcars, medium and low speed maglev, intelligent transportation, 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 survey and design 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, strives to obtain design projects and general contracting projects, 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 guiding and 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.

Equipment manufacturing

Equipment manufacturing is the core business 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, mining laneways, fabricated building components and rail transit electrification equipment, etc. The basic operation mode is mainly to obtain orders through market competition at home and abroad, and provide relevant products and services with guaranteed quality and quantity on schedule according to the contract. The 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 level, brand awareness and other aspects. The Group is the world's leading shield/TBM research and development manufacturer, the world's leading steel structure manufacturer of turnouts and bridges, the leading railway construction equipment manufacturer in China, and the world's leading manufacturer of infrastructure construction service equipment. As a leading manufacturer

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of high-end equipment for engineering construction, 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. CRHIC (stock code: 600528.SH), a majority-owned subsidiary of the Company, has the most complete spectrum of products in the field of railway infrastructure equipment in China and is the only industrial enterprise in A share main board market that mainly engages in high-end equipment for rail transit and underground excavation, the products of which are exported to more than 30 countries and regions including developed countries such as Singapore and Italy, and are well received by the local society and construction market. CRHEEC (stock code: 688285.SH) is an important supplier engaging in the research and development, production and system integration of domestic electrified catenary components and power supply equipment for urban rail transit.

Property development

The Group is one of the central enterprises that the SASAC has identified as a key player in the property development field. "Featured property" is the goal of the Group's property development business and is the development priority of China Railway and an important carrier for diversified brands of China Railway during the "14th Five-Year Plan" period. It is also an important platform for its transformation from entering the urban construction market to a comprehensive urban development operator and shift to the model of "property + infrastructure" and "property + industry" relying on its main business advantages, and an important support for optimizing business layout and expanding market presence. The Group's property development business includes primary land development and secondary property development. The operation mode of primary land development refers to that the local government or its authorized department and platform company entrusts the Company to legally expropriate the land in a certain area, and 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 Company's investment principal 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. Since 2024, 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 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 RMB13.25 billion, representing a year-on-year decrease of 63.3%, and its sales area was 0.95 million square meters, representing a year-on-year decrease of 59%. The area that we have commenced construction was 0.492 million square meters, representing a year-on-year decrease of 69.8%; the area that we have completed construction was 1.844 million square meters, representing a year-on-year decrease of 16.3%; and the newly acquired land reserve was 0.161 million square meters, representing a year-on-year decrease of 39.5%. As of the end of the reporting period, the Group's land reserve to be developed covered 11.9482 million square meters.

Asset operation

The Group's asset operation business is to acquire projects and obtain concession rights by leveraging the integrated advantages of "investment, construction and operation". In the concession period, the Group provides domestic first-class asset operation services in the PRC. The scope of the Group's asset operation services mainly covers the operation, maintenance and management of infrastructure investment projects and asset operation, involving three modes of independent operation, joint operation and entrusted operation. At present, the Group has invested in a large number of infrastructure projects through PPP and BOT modes, covering 10 types of projects such as rail transit, expressways, underground pipe corridors, water and environmental protection, municipal roads, sponge cities and industrial parks across most cities and regions in China, with the operation period ranging from 10 to 40 years. As of the end of the reporting period, the Group has led the implementation and operation of approximately 280 kilometers of urban rail transit, mainly including Xi'an Metro Line 9, Chengdu Metro Line 9 and Chongqing Metro Line 4; led the implementation and operation of approximately 2,200 kilometers of expressways, mainly Yiyi Expressway, Shanjie Expressway and Xinyi Expressway; led the implementation and operation of approximately 200 kilometers of urban comprehensive pipe corridors, mainly Haikou underground comprehensive pipe corridor, Tangshan underground comprehensive pipe corridor and Pingtan Comprehensive Experimental Zone underground comprehensive pipe corridor; led the implementation and operation of water projects with a daily water treatment of 1.45 million tons, mainly including the Expansion and Upgrading Project of Ma'anshan Second Sewage Treatment Plant, Lanzhou Salt Field Sewage Treatment Plant and Expansion Franchise Project.

Resource utilization

The Group's mining resource 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 condition. However, the world now is still encountering uncertainties of market supply and demand, international economy and politics. In this context, the Group will then strengthen the risk control and management of overseas mineral resources business to ensure safe production and stable income of mines in production. The main mineral products produced and sold by the Company 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 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 the first half of 2024, the Group's overall development and sales of mineral resources remained stable. The Group produced 150,165 tons of copper, 2,837 tons of cobalt, 7,682 tons of molybdenum, 4,565 tons of lead, 10,697 tons of zinc, and 18 tons of silver.

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Mining Resource Project

No.	Project name	Type	Mining resource			Planned total investment (RMB100 million)	Accumulated investment of the project (RMB100 million)	Production quantity in the reporting period (tons)	Project progress
			Grade	Resource/ Reserve (tons)	Equity ratio (%)				
1	Luming Molybdenum Mine, Yichun City of Heilongjiang	Molybdenum	0.09%	61.28	83	60.17	60.26	7,686	In normal production
		Copper	/	/				847	
2	SICOMINES Copper-Cobalt Mine	Copper	3.53	675.48	41.72	45.86	30.92	128,086	In normal production
		Cobalt	0.15	53.99				2,837	
3	Luishia Copper-Cobalt Mine	Copper	2.57	44.15	72	21.38	21.60	11,420	In normal production
		Cobalt	0.06	1.04				0.00	
4	MKM Copper-Cobalt Mine	Copper	1.87%	3.10	80.2	11.95	12.35	9,812	In normal production
		Cobalt	0.24%	0.32				0.00	
5	Wulan Lead and Zinc Mine, Xinxin Company	Lead	1.15%	14.40	100	15.4	15.4	4,565	In normal production
		Zinc	2.91%	36.40				10,697	
		Silver	56.55g/t	0.07				18	
6	Muhaer Lead and Zinc Mine, Xinxin Company	Lead	0.63%	4.11	100	/	/	/	Not yet exploited
		Zinc	2.37%	15.47					
		Silver	118.17g/t	0.08					
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	/	/	/	Ceased production
		Zinc	5.09%	6.52					
		Silver	200.51g/t	0.03					

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 business as assets management, private equity fund, insurance brokerage, finance lease, and commercial factoring, which the SASAC allows to be conducted in a prudent and regulated manner. The Group has built a multi-level, wide-span and differentiated institutional service system of "finance and quasi-finance" represented by China Railway Trust Co., Ltd., China Railway Finance Co., Ltd., and China Railway Capital Co., Ltd. The three companies actively explore new ways to integrate industry and finance to serve internal financial needs.

The merchandise trading business of the Group represents the trading business carried out by the trading enterprises at all levels of the Company relying on the demand advantage, product advantage and resource channel advantage from centralized purchase and supply based on the main business of the Company. It mainly serves the internal trading demand of the Company and provides external services in an appropriate manner. China Railway Resources Group Co., Ltd., the Company's wholly-owned subsidiary, is responsible for the sales of mineral products in the resource utilization 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 relationships with domestic large-scale production enterprises of steel, cement, petrochemical, components for communications engineering, signal engineering, electrical engineering and electrification engineering, building decoration materials and other products. China Railway Material Trade Co., Ltd. carries out centralized procurement and supply of major materials at the Company level, and supplies materials to other domestic construction enterprises, significantly improving the Company's resources acquisition ability, supply security, procurement and bargaining power.

Emerging businesses

Emerging businesses are the Group's key cultivation segment, mainly covering water conservancy and hydropower, clean energy, ecological protection, airport and waterway, and urban operation. It is a crucial support for the Group to build brand clusters and enhance brand influence; a new growth pole to form competitive advantages, enlarge market scale and create economic benefits; a key area to shape the future and promote transformation and upgrading. Since the first half of the year, the Group has won the bids for a number of emerging businesses such as Guangxi Qinzhou Offshore Wind Power and Alxa League Inner Mongolia Desert comprehensive management. The "Major Bridge Sea Wind (大橋海風)", a 2,000-ton jack-up offshore wind power installation platform with investment of RMB1.2 billion, has been officially put into operation, the installation capacity of which has a leading position globally, bringing strong impetus to the high-quality development of the Group. At the same time, with the new round of scientific and technological revolution and industrial transformation, digital technology and green technology give birth to new industries, forms and models, and the high-quality development of the construction industry offers greater potential for the future development of the Group. The Group will continue optimizing the organizational system for the development of emerging businesses, strengthen the support policies for emerging businesses, clarify the responsible parties, key areas and development objectives of emerging businesses, and guide the rapid development of emerging businesses. Furthermore, the Group will step up technological innovation, accelerate patent layout in emerging businesses areas, and actively participate in the formulation of technical standards for emerging businesses. By giving full play to the supporting role of professional R&D centers and other platforms, the Group will strengthen the capability of whole-chain integration. In addition, the Group will reinforce innovation-driven management and explore new business models to rapidly enhance the market competitiveness of emerging businesses.

During the reporting period, the value of new contracts for the emerging businesses of the Group was RMB166.33 billion, representing a year-on-year increase of 32.1%. From a business segment perspective: ①The value of new contracts for water conservancy and hydropower business amounted to RMB43.73 billion, representing a year-on-year increase of 57.8%. ②The value of new contracts for clean energy business amounted to RMB32.45 billion, representing a year-on-year increase of 47.6%. ③The value of new contracts for ecological and environmental protection business amounted to RMB26.08 billion, representing a year-on-year decrease of 24.3%. ④The value of new contracts for airport and port waterways business amounted to RMB5.77 billion, representing a year-on-year decrease of 53.9%. ⑤The value of new contracts for other businesses amounted to RMB58.30 billion, representing a year-on-year increase of 144.6%.

3 Scientific Research Investment and Technological Achievements

As a large construction central enterprise group, the Group takes the initiative to undertake new major national innovation projects, earnestly implements the construction of a green and low-carbon innovative technology source for infrastructure, and is committed to becoming a leader in the modern industrial chain, so as to play a better role in the support and guidance of technological innovation, improvement of core competitiveness and enhancement of the core function of central enterprises. In 2024, our research and development investment focused on key fields such as high-speed railway construction technology, bridge survey, design, construction and maintenance technologies, tunnel and underground engineering construction and intelligent maintenance technology, four-electricity engineering technology, construction equipment and industrial product manufacturing technology, building construction technology, intelligent construction, energy saving and emission reduction technology, and green and low-carbon and information technology. We leveraged the Company's key and challenging projects under construction such as the Chengdu-Chongqing Middle Line High-speed Railway, Chongqing-Kunming High-speed Railway (Sichuan-Chongqing Section), Zhejiang Zhoushan Xihoumen Highway-Railway Bridge, Chongqi-Qidong Yangtze River Highway-Railway Bridge, Zhongshan Station in Antarctica and Dianzhong Water Diversion Project 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), and have achieved a series of major phased results.

In the future, the Group will continue to make more research and development investment in the construction of strategic emerging industries and future industries, closely integrate the innovation chain around the industrial chain, improve the scientific and technological innovation system, accelerate the gathering of innovation elements, promote the transformation of scientific and technological achievements. It will also strictly control compliance risks, strictly implement the relevant regulations on research and development expenditure, strive to break through a number of key technologies and form a number of landmark products, provide strong support to overcome a number of "bottleneck" problems in key core technologies, help a number of landmark projects at home and abroad undertaken by the Company to be completed and put into use, provide strong support for the Company's project undertaking and construction, lead the domestic and even the world's high-speed railway, bridge and tunnel construction level, and continuously polish the image of "China Road", "China Bridge", "China Tunnel", "China Electrification", and "China High-speed Railway", demonstrating its responsibility and role as a national team in infrastructure construction.

4 Consolidated Results of Operations

A comparison of the financial results for the six months ended 30 June 2024 and the corresponding period of 2023 is set forth below.

Revenue

In the first half of 2024, the Group's revenue decreased year-on-year by 7.8% to RMB544.522 billion, mainly due to the decrease in revenue from infrastructure construction business. Among which, the revenue generated from overseas was RMB34.124 billion, representing a year-on-year increase of 6.1%.

Cost of sales and services and gross profit

The Group's cost of sales and services primarily includes cost of raw materials and consumables, subcontracting cost, equipment usage cost (consisting of maintenance, rental and fuel), employee compensation and benefits and depreciation and amortization expenses. For the six months ended 30 June 2024, the Group's cost of sales and services decreased year-on-year by 7.8% to RMB497.765 billion. In the first half of 2024, gross profit of the Group decreased year-on-year by 8.2% to RMB46.757 billion. The gross profit margin for the first half of 2024 was 8.6%, basically remained the same as compared to the same period of last year.

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. For the six months ended 30 June 2024, the Group's other income was RMB1.488 billion, representing a decrease of 2.4% from the same period of last year. It was mainly due to the decrease in subsidies from government.

Other expenses

The Group's other expenses primarily includes penalty cost and lawsuit expenditure. For the six months ended 30 June 2024, other expenses increased by 49.7% to RMB0.575 billion from the same period of last year, mainly due to the increase in other expenses.

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. For the six months ended 30 June 2024, the Group's net impairment losses on financial assets and contract assets was RMB1.756 billion, representing a year-on-year decrease of 5.3%. It was mainly due to the decrease in impairment losses on trade and other receivables.

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Other gains and losses, net

The Group's net other gains and losses mainly include gains and losses on disposal/write-off of right-of-use assets and property, plant and equipment, foreign exchange gains/losses, and gains and losses on changes in the fair value of financial assets/liabilities through profit and loss. The net other gains and losses for the first half of 2024 was RMB0.182 billion (first half of 2023: RMB0.426 billion), which mainly includes foreign exchange gains of RMB0.218 billion.

Losses from derecognition of financial assets at amortised cost

The Group's losses from derecognition of financial assets at amortised cost mainly include the losses arising on derecognition of trade receivables and bills receivables which were transferred in accordance with asset-backed notes ("ABN") and asset-backed securities ("ABS") issuance, non-recourse factoring agreements and bills receivables discounting arrangements. In the first half of 2024, the Group's losses from derecognition of financial assets at amortised cost was RMB1.658 billion, representing a year-on-year increase of 12.3%. For the six months ended 30 June 2024, the Group transferred trade receivables of RMB26.922 billion and long-term trade receivables of nil under the issuance of ABN and ABS (first half of 2023: RMB22.757 billion and RMB1.080 billion, respectively) and transferred trade receivables of RMB0.641 billion under non-recourse factoring agreements (first half of 2023: RMB3.178 billion).

Selling and marketing expenses

The Group's selling and marketing expenses primarily consist of employee compensation and benefits, distribution and advertising costs. For the six months ended 30 June 2024, the Group's selling and marketing expenses was RMB2.908 billion, representing a decrease of 5.2% from the same period of last year. It was mainly due to the decrease in sales agent fees of real estate business. Selling and marketing expenses as a percentage of total revenue was 0.5% for the first half of 2024, basically remained the same as compared to the same period of last year.

Administrative expenses

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortization of its assets related to administration. For the six months ended 30 June 2024, the Group's administrative expenses was RMB12.904 billion, representing a decrease of 1.7% from the same period of last year. Administrative expenses as a percentage of total revenue for the first half of 2024 was 2.4%, representing an increase of 0.2 percentage point from the same period of last year.

Research and development expenditures

For the six months ended 30 June 2024, the Group's research and development expenditures were RMB9.225 billion, representing a decrease of 10.4% from the same period of last year. The Group's investment in research and development continued to remain at a high level.

Finance costs, net

For the six months ended 30 June 2024, the Group's net finance costs (finance costs less finance income) was RMB1.290 billion, representing an increase of 4.7% from the same period of last year. The delay in payment by some project owners led to the increase in external borrowings and interest expenses.

Profit before income tax

As a result of the foregoing factors, the Group's profit before income tax for the six months ended 30 June 2024 decreased by 14.9% to RMB19.560 billion from RMB22.972 billion for the corresponding period of 2023.

Income tax expense

For the six months ended 30 June 2024, the Group's income tax expense was RMB3.891 billion, representing a decrease of 17.4% from the same period of last year. By excluding the effect of land appreciation tax, the effective income tax rate of the Group was 17.5% for the first half of 2024, basically remained the same as 17.4% for the same period of last year.

Profit for the period attributable to owners of the Company

As a result of the foregoing factors, the profit for the period attributable to owners of the Company for the six months ended 30 June 2024 decreased by 12.1% to RMB14.279 billion from RMB16.239 billion for the same period of 2023. The profit margin of the profit for the period attributable to owners of the Company for the first half of 2024 was 2.6%, representing a decrease of 0.1 percentage point from the same period of last year.

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5 Segment Results

The revenue and results of each segment of the Group's business for the six months ended 30 June 2024 are set forth in the table below.

Business segment	Revenue RMB million	Growth rate (%)	Profit/ (loss) before income tax RMB million	Growth rate (%)	Profit/ (loss) before income tax margin ¹ (%)	Revenue as a percentage of total (%)	Profit/ (loss) before income tax as a percentage of total (%)
Infrastructure Construction	484,838	-7.9	17,174	-12.4	3.5	84.4	83.7
Survey, Design and Consulting Services	9,351	-2.8	501	-34.2	5.4	1.6	2.4
Equipment Manufacturing	16,586	-5.3	898	-19.7	5.4	2.9	4.4
Property Development	14,843	-29.9	(1,177)	125.0	-7.9	2.6	-5.7
Other Businesses	48,881	-11.2	3,108	-17.6	6.4	8.5	15.2
Inter-segment Eliminations and Adjustments	(29,977)		(944)				
Total	544,522	-7.8	19,560	-14.9	3.6	100.0	100.0

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

Infrastructure construction

Revenue from the operation of the Group's infrastructure construction business is mainly derived from railway, highway and municipal works construction. Revenue from the operation of the infrastructure construction business continues to account for a high percentage of total revenue of the Group. In the first half of 2024, the revenue from the infrastructure construction business accounted for 84.4% of the total revenue of the Group (first half of 2023: 83.6%). In the first half of 2024, the Group's revenue from the infrastructure construction business for the six months ended 30 June 2024 was RMB484.838 billion, representing a decrease of 7.9% as compared to the same period of last year. Gross profit margin and profit before income tax margin of the infrastructure construction segment for the first half of 2024 was 7.5% and 3.5% respectively (first half of 2023: 7.4% and 3.7% respectively). The increase in gross profit margin was mainly because the Group continued to further promote efficiency improvement actions in large-scale business management and engineering project management, which effectively improved the efficiency and level of engineering projects.

Survey, design and consulting services

Revenue from the operation of the survey, design and consulting services business primarily derives from providing a full range of survey, design and consulting services, research and development, feasibility studies and compliance certification services on infrastructure construction projects. In the first half of 2024, the Group's revenue from survey, design and consulting services business recorded RMB9.351 billion, decreased by 2.8% as compared to the same period of last year. For the first half of 2024, gross profit margin and profit before income tax margin for the segment was 26.1% and 5.4% respectively (first half of 2023: 27.3% and 7.9% respectively). The survey, design and consulting services business continued to maintain a good level of profitability.

Equipment manufacturing

Revenue from the operation of the equipment manufacturing business primarily derives from the design, research and development, manufacture and sale of turnouts and other railway related equipment, bridge steel structures and engineering machinery. For the first half of 2024, the Group's revenue from the equipment manufacturing business decreased by 5.3% year-on-year to RMB16.586 billion for the six months ended 30 June 2024. Gross profit margin and profit before income tax margin was 18.4% and 5.4% respectively (first half of 2023: 19.5% and 6.4% respectively). It was mainly due to the decrease in the sales price and profitability of tunnel construction equipment resulting from intensified market competition.

Property development

For the six months ended 30 June 2024, revenue of property development business decreased by 29.9% year-on-year to RMB14.843 billion. Gross profit margin and profit before income tax margin was 11.4% and -7.9% respectively (first half of 2023: 13.6% and -2.5% respectively). Such decrease was mainly due to the continuous decline in the real estate market, the decrease in sales prices and the lengthening in sales cycle.

Other businesses

In the first half of 2024, the Group has progressively implemented the limited and interrelated diversification strategy. Revenue of other businesses decreased year-on-year by 11.2% to RMB48.881 billion. In the first half of 2024, gross profit margin and profit before income tax margin was 15.0% and 6.4% respectively (first half of 2023: 14.2% and 6.9% respectively). Details are as follows: ① Revenue from infrastructure operation business increased year-on-year by 19.2% to RMB2.198 billion. ② Revenue from mining business increased year-on-year by 0.9% to RMB4.061 billion. ③ Revenue from merchandise trading business decreased year-on-year by 15.6% to RMB31.356 billion. ④ Revenue from financial business increased year-on-year by 11.2% to RMB2.229 billion.

6 Cash Flow

For the six months ended 30 June 2024, the net cash outflow from operating activities of the Group amounted to RMB69.332 billion, an increase of net cash outflow from operating activities of RMB29.967 billion for the first half of 2023. It was because some owners of the Group's engineering projects delayed their payment. At the same time, in order to ensure the orderly advancement of production and operations, the Group abided by the contract and paid suppliers in a timely manner. For the six months ended 30 June 2024, the net cash outflow from investing activities of the Group amounted to RMB22.062 billion, a decrease of net cash outflow from investing activities of RMB34.491 billion for the first half of 2023. It was mainly due to the increase in disposal of investment and decrease in long-term investment. For the six months ended 30 June 2024, the net cash inflow from financing activities of the Group amounted to RMB50.809 billion, an increase in the net cash inflow from financing activities of RMB32.650 billion for first half of 2023. It was primarily due to the increase in external borrowings resulting from the delay in payment from some engineering project owners.

Capital expenditure

The capital expenditure of the Group primarily comprises expenditure on purchases of equipment, upgrading of the Group's production facilities and investment in infrastructure investment projects under intangible assets mode. The Group's capital expenditure for the first half of 2024 was RMB25.309 billion (among which, RMB15.828 billion was for purchase of intangible assets and RMB8.731 billion was for purchase of fixed assets), representing a decrease of 3.7% as compared to RMB26.270 billion for the same period of last year.

Working capital

	As at	
	30 June 2024 <i>RMB million</i>	31 December 2023 <i>RMB million</i>
Inventories	80,962	57,153
Trade and bills receivables	273,608	193,674
Trade and bills payables	661,228	588,737
Turnover of inventory (<i>days</i>)	25	17
Turnover of trade and bills receivables (<i>days</i>)	77	50
Turnover of trade and bills payables (<i>days</i>)	226	169

As at 30 June 2024, the Group's inventories was RMB80.962 billion, increased by 41.7% as compared to the end of 2023, mainly due to the increase in the reserve of construction materials for ensuring the production progress of engineering projects and coping with the increase in raw material prices. The inventory turnover days for the first half of 2024 increased to 25 days from 17 days for the year of 2023.

Trade and bills receivables

As at 30 June 2024, trade and bills receivables was RMB273.608 billion, representing an increase of 41.3% from RMB193.674 billion as at the end of 2023. Such increase was mainly due to the normal increase in balance of trade and bills receivable resulting from the increase in operating scale and slow-down in payment from certain engineering project owners. The turnover days of trade and bills receivables increased from 50 days for 2023 to 77 days for the first half of 2024. According to the ageing analysis of the trade and bills receivables, most of the Group's trade and bills receivables were of less than one year and the trade and bills receivables of more than one year accounted for 27.3% (31 December 2023: 26.6%) of the total amount, reflecting the sound receivables management capability of the Group.

The following table sets forth the ageing analysis of the Group's trade and bills receivables as at 30 June 2024 and 31 December 2023, based on transaction date.

	As at	
	30 June 2024	31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
Less than 1 year	198,917	142,215
1 year to 2 years	35,857	21,833
2 years to 3 years	16,200	9,816
3 years to 4 years	5,488	4,463
4 years to 5 years	2,812	4,969
More than 5 years	14,334	10,378
Total	273,608	193,674

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. As at 30 June 2024, the Group's trade and bills payables was RMB661.228 billion, representing an increase of 12.3% from the end of 2023. The turnover days of trade and bills payables for the first half of 2024 was 226 days, an increase of 57 days from 169 days for 2023. According to the ageing analysis of the trade and bills payables, most of the Group's trade and bills payables were of less than one year and the trade and bills payables of more than one year accounted for 7.2% (31 December 2023: 7.5%) of the total amount.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the ageing analysis of the Group's trade and bills payables as at 30 June 2024 and 31 December 2023, based on transaction date.

	As at	
	30 June 2024 <i>RMB million</i>	31 December 2023 <i>RMB million</i>
Less than 1 year	613,850	544,622
1 year to 2 years	23,916	23,035
2 years to 3 years	9,873	10,204
More than 3 years	13,589	10,876
Total	661,228	588,737

7 Borrowings

The following table sets forth the Group's total borrowings as at 30 June 2024 and 31 December 2023.

	As at	
	30 June 2024 <i>RMB million</i>	31 December 2023 <i>RMB million</i>
Bank borrowings		
Secured	131,766	142,981
Unsecured	303,451	221,184
	435,217	364,165
Long-term debentures, unsecured	54,246	48,968
Other borrowings		
Secured	1,415	1,415
Unsecured	11,597	15,415
Total	502,475	429,963
Long-term borrowings	349,012	316,647
Short-term borrowings	153,463	113,316
Total	502,475	429,963

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, the Group's long-term borrowings was RMB349.012 billion, representing an increase of 10.2% from the end of 2023 while the Group's short-term borrowings was RMB153.463 billion, representing an increase of 35.4% from the end of 2023, mainly due to the fulfillment of liquidity needs.

Bank borrowings carry interest rates ranging from 0.50% to 11.26% (31 December 2023: 0.50% to 10.88%) per annum. Long-term debentures carry fixed interest rates ranging from 2.30% to 4.80% (31 December 2023: 2.58% to 4.80%) per annum. Other borrowings carry interest rates ranging from 2.80% to 3.95% (31 December 2023: 3.06% to 4.43%) per annum. For the first half of 2024, the average cost of financing was 3.46%, representing a year-on-year decrease of 0.13 percentage point.

The following table sets forth the maturity of the Group's borrowings as at 30 June 2024 and 31 December 2023.

	As at	
	30 June 2024	31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
Less than 1 year	153,463	113,316
1 year to 2 years	51,882	52,248
2 years to 5 years	92,284	77,439
More than 5 years	204,846	186,960
Total	502,475	429,963

As at 30 June 2024 and 31 December 2023, the Group's bank borrowings comprised floating-rate bank borrowings amounting to RMB300.314 billion and RMB253.718 billion, respectively. The Group's borrowings are primarily denominated in Renminbi and foreign currency borrowings are primarily denominated in U.S. dollars.

The following table sets forth the details of the Group's secured borrowings as at 30 June 2024 and 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

	As at 30 June 2024		As at 31 December 2023	
	Secured borrowings RMB million	Carrying value of pledged assets and contract value of certain rights RMB million	Secured borrowings RMB million	Carrying value of pledged assets and contract value of certain rights RMB million
Property, plant and equipment	1,176	2,972	1,497	4,171
Intangible assets	70,782	125,400	78,950	106,796
Properties under development for sale	5,790	10,351	4,710	7,697
Trade and bills receivables	413	700	185	317
Contract assets	50,323	69,386	59,054	88,039
Total	128,484	208,809	144,396	207,020

Besides, as at 30 June 2024, the Group had secured bank borrowings of RMB3,282 million and secured other borrowings of RMB1,415 million, which were secured by the future collection right of the subsidiaries of the Company.

As at 30 June 2024, the Group's unused credit line facilities from banks amounted to RMB1,968.016 billion (31 December 2023: RMB2,013.219 billion).

As at 30 June 2024, the Group's gearing ratio (total liabilities/total assets) was 76.5%, an increase of 1.6 percentage points from 74.9% as at 31 December 2023.

8 Contingent Liabilities

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

	As at	
	30 June 2024 RMB million	31 December 2023 RMB million
Pending lawsuits (Note 1)		
– arising in the ordinary course of business	5,437	4,327

Note 1: The Group has been named 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 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.

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, 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 Company.
- (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 Company'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 process control and post-assessment work, and develops strategies and contingency plans to deal with risks, which guarantees the overall controllability of the Company's various types of risks.

SIGNIFICANT EVENTS

1 Overview of General Meetings

Session of meeting	Date of meeting	References of designated websites for the publication of resolutions	Date of publication of the resolutions
2023 Annual General Meeting	28 June 2024	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange	29 June 2024
		The website of the Hong Kong Stock Exchange	28 June 2024
2024 First Extraordinary Meeting	20 August 2024	China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange	21 August 2024
		The website of the Hong Kong Stock Exchange	20 August 2024

Description of the general meetings:

1. The 2023 annual general meeting of the Company was held on 28 June 2024 with a combination of onsite meeting and online voting. During the meeting, the Proposal on the Report of the Board of Directors for the Year 2023, the Proposal on the Profit Distribution for the Year 2023 and other proposals were reviewed and approved, and resolutions were formed. The announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times and on the website of the Shanghai Stock Exchange on 29 June 2024 and on the website of Hong Kong Stock Exchange on 28 June 2024.
2. The 2024 first extraordinary general meeting of the Company was held on 20 August 2024 with a combination of onsite meeting and online voting. During the meeting, the Proposal on the Election of Executive Directors and Non-executive Director of the Sixth Session of the Board of Directors of the Company, the Proposal on the Election of Independent Non-executive Directors of the Sixth Session of the Board of Directors of the Company and other proposals were reviewed and approved, and resolutions were formed. The announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times on 21 August 2024 and on the website of the Shanghai Stock Exchange and on the website of Hong Kong Stock Exchange on 20 August 2024.

2 The Plan for Profit Distribution or Capitalisation of Capital Reserves

Whether distributed or capitalised	No
Number of bonus shares for every 10 shares (share)	0
Dividend amount per 10 shares (RMB) (tax inclusive)	0
Number of shares capitalised for every 10 shares (share)	0
Information on the plan for profit distribution or capitalisation of capital reserves	Not applicable

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

As of 31 December 2022, the 2021 restricted share incentive scheme of the Company (the **"2021 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 2021 Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.. Therefore, the Company completed the repurchase and cancellation of 1,379,700 restricted shares that had been granted to the above five 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 7 other participants under the first grant 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).

On 30 August 2024, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Incentive Scheme was considered and approved at the 28th meeting of the fifth session of the Supervisory Committee and the 2nd meeting of the sixth session of the Board of Directors of the Company, respectively. 1 participant was transferred from the Company and ceased to take office in the Company due to organisational arrangements, 36 participants retired normally as the legal retirement age was reached and the time of retirement was more than 6 months before the selling restrictions are unlocked, 2 participants resigned from the Company during the employment contract period, 3 participants were disqualified for the 2021 Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., and 1 participant received a fair performance rating in the 2022 annual individual performance appraisal (80% of the restricted shares are unlocked in the current period, while the remaining 20% of the Restricted Shares would be repurchased and canceled by the Company). In accordance with the 2021 Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase and cancel certain restricted shares under the 2021 Incentive Scheme. The total number of restricted shares intended to be repurchased by the Company is 7,384,576.

SIGNIFICANT EVENTS

The summary of the 2021 Incentive Scheme

(i) Purpose of the 2021 Incentive Scheme

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

(ii) Participants of the 2021 Incentive Scheme

The incentive participants of the 2021 Incentive Scheme are the employees of the Group, including (1) senior management of the Group; (2) middle management of the Group; and (3) core key personnel of the Group.

(iii) Total number of shares available for issue under the 2021 Incentive Scheme and their percentage in the total shares issued as at the publication date of this interim results announcement

The number of restricted shares to be granted under the 2021 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 2022, the 2021 Incentive Scheme was implemented completely. 181,266,700 A shares have been granted under the 2021 Incentive Scheme, accounting for approximately 0.89% of the total A share capital and 0.74% of the total share capital of the Company as of the publication date of this interim results announcement.

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

The total number of the Company's shares granted under the 2021 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 2021 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.

(v) The period within which the option may be exercised by the grantee under the 2021 Incentive Scheme

No option which may be exercised was granted under the 2021 Incentive Scheme.

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

The restricted shares granted under the 2021 Incentive Scheme do not have any vesting period per se as they were all vested with the participants at the same time as they were granted. The restricted shares have lock-up period. The restricted shares of the 2021 Incentive Scheme shall be released in three batches. Lock-up period 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 lock-up 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 participants under the 2021 Incentive Scheme shall not be transferred, used for guarantee or debt repayment until the selling restrictions are released.

(vii) Amount (if any) payable for the acceptance of restricted shares and period within which the payment or call for payment must be made

The amount payable for the acceptance of restricted shares is the grant price multiplied by the number of restricted shares granted. The total grant price was RMB639,486,755.7 (excluding the 2,945,866 restricted shares that were repurchased and cancelled by the Company). 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.

(viii) Basis of determining the grant price

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

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

(x) Agreement on the granting of restricted shares

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

The details of the restricted shares granted under the 2021 Incentive Scheme

Except for the 2021 Incentive Scheme which was implemented completely during the first half of 2024, the Company did not have any other share scheme which is applicable for the disclosure requirements of Chapter 17 of the Hong Kong Listing Rules during the report period. The following table sets forth the details of restricted shares granted during the first half of 2024.

Category of grantees	Particulars of outstanding options and unvested awards at the beginning and the first half of 2024	Number of shares released from selling restrictions during the first half of 2024	Number of shares with selling restrictions granted during the first half of 2024	Number of shares with selling restrictions as at 30 June 2024	Date of releasing selling restrictions	Exercise period	Vesting period	Price of Grant (RMB)	Closing price immediately prior to the date of grant (RMB)	Reasons for selling restrictions	Fair value of share-based payment (RMB)	Weighted average closing price (RMB)	Weighted average number of shares of the relevant class in issue for the first half of 2024
687 incentive participants (employees) ^(Note 1) (excluding 10 participants whose restricted shares have been repurchased and cancelled, and the restricted shares of 2 participants the 20% restricted shares of whom have been repurchased and cancelled) ^(Note 2)	Not applicable ^(Note 3)	55,910,838	0	111,867,696	17 January 2022	Not applicable ^(Note 5)	Not applicable ^(Note 6)	3.55/share	5.94/share	Restricted Share	414.9 million ^(Note 8)	5.88/share ^(Note 9)	0.89% ^(Note 10) Not applicable ^(Note 11)
50 incentive participants (employees) ^(Note 1)		0	0	11,922,000	2 November 2022	24 months, 36 months, 48 months ^(Note 7)	24 months, 36 months, 48 months ^(Note 7)	3.68/share	5.06/share	Restricted Share Incentive Scheme	163 million ^(Note 8)		

Notes:

1. *The incentive participants of the 2021 Incentive Scheme are the employees of the Group, including (1) senior management of the Group; (2) middle management of the Group; and (3) core key personnel of the Group. The participants do not include (1) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates; (2) each participant with options and awards granted and to be granted in excess of 1% individual limit; or (3) each related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue.*
2. *Regarding 5 participants of the initial grant, 2 participants were transferred from the Company and ceased to take office in the Company due to organizational arrangements, 3 participants were disqualified from the 2021 Incentive Scheme due to incompetence in the position, disqualification in performance appraisal, negligence, violation of laws, non-compliance of laws, etc.. The Company completed the repurchase and cancellation of 1,379,700 restricted shares that had been granted to the above five participants but not yet unlocked on 28 December 2022. The 1,379,700 restricted shares were granted to the incentive participants on 17 January 2022 at the price of grant of RMB3.55 per share. The repurchase price of the restricted shares repurchased from 3 participants was RMB3.354 per share. The repurchase price of the restricted shares repurchased from 2 participants was RMB3.354 per share, plus interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period. In addition, the Company completed the repurchase and cancellation of 1,566,166 restricted shares that had been granted to 7 other participants but not yet unlocked on 11 March 2024, among which, 1 participant was transferred from the Company and ceased to take office in the Company due to organizational arrangements, 1 participant was deceased, 1 participant resigned from the Company during the employment contract period, 2 participants violated laws and regulations and 2 participants received a fair performance rating in the 2022 annual individual performance appraisal (80% of their restricted shares are unlocked in the current period, while the remaining 20% of the restricted shares were repurchased and canceled by the Company). The 1,566,166 restricted shares were granted to the incentive participants on 17 January 2022 at the price of grant of RMB3.55 per share. The repurchase price of the restricted shares repurchased from 5 participants was RMB3.154 per share. The repurchase price of the restricted shares repurchased from 2 participants was RMB3.154 per share, plus interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period.*
3. *Under the 2021 Incentive Scheme, the restricted shares were granted to the participants directly, and it did not involve the grant of any options or awards in respect of which shares may be issued. Therefore, particulars of the outstanding options and unvested awards at the beginning and at the end of the first half of 2024 are inapplicable. The 2021 Incentive Scheme was only approved by the A Share Class Meeting on 30 December 2021 and the H Share Class Meeting on 12 January 2022, which means that no shares would have been available for grant at the beginning of 2022. The number of restricted shares to be granted under the 2021 Incentive Scheme is not more than 200,000,000 A shares and, as at 31 December 2022, 181,266,700 A shares have been granted and the 2021 Incentive Scheme was implemented completely (which means that no shares were available for grant under the 2021 Incentive Scheme as at the end of 2022).*
4. *Conditions of grant of the restricted shares: The Company granted restricted shares to the participants upon satisfaction of all of the following conditions of grant, and no restricted shares would be granted to the participants if any of the following conditions of grant has not been satisfied. 1. None of the following events with respect to the Company has occurred: i. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the financial and accounting report of the Company for the latest accounting year; ii. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the internal control of the financial report of the Company for the latest accounting year; iii. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing; iv. prohibition from implementation of a share incentive scheme by laws and regulations; v. other circumstance as determined by the CSRC. 2. None of the following events with respect to the participant has occurred: i. he or she has been determined by the Shanghai Stock Exchange as an ineligible person in the past 12 months; ii. he or she has been determined by the CSRC or any of its delegated agencies as an ineligible person in the past 12 months; iii. he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material non-compliance of laws and regulations in the past 12 months; iv. he or she is prohibited from being a director or senior management of a company under the Company Law; v. he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations; vi. he or she falls under any other circumstances as determined by the CSRC. 3. The Company is deemed to have achieved the performance target if all of the following conditions are satisfied: i. the average growth rate of the net profit for 2018 to 2020 shall not be less than 11.75%; ii. the average return on net assets for 2018 to 2020 shall not be less than 9.86%; iii. the economic value added performance targets set by SASAC in 2020 is achieved. 4. The individual performance appraisal of the participants: the individual performance appraisal result of the participants in 2020 is competent or above.*

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5. *The restricted shares granted under the 2021 Incentive Scheme do not have any vesting period per se as they were all vested with the participants at the same time as they were granted.*
6. *No options which may be exercised were granted under the 2021 Incentive Scheme.*
7. *The restricted shares of the 2021 Incentive Scheme shall be released in three batches. Lock-up Period 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 lock-up periods, 1/3 of the restricted shares granted under the first grant and the grant of the reserved shares will be unlocked.*
8. *In accordance with the relevant requirements of the “Accounting Standards for Enterprises No.11 – Share-based Payment” of the PRC, the Company shall measure the fair value of the restricted shares based on the market prices of the shares. On the measurement date, the fair value of share-based payment per restricted share shall equal the market price of the shares of the Company minus the grant price. Based on the data on 17 January 2022, the total amount of the fair value of sharebased payment of the restricted shares first granted by the Company to the participants was RMB414.9 million. The accounting treatment of the reserved restricted shares granted to the participants subsequently is the same as that of the restricted shares under the abovementioned first grant. Based on the data on 2 November 2022, the total amount of the fair value of share-based payment of the reserved restricted shares granted by the Company to the participants was RMB16.3 million.*
9. *As at the respective dates of grants of restricted shares, the weighted average closing price immediately before the dates on which the restricted shares were granted is RMB5.88/share.*
10. *The total number of restricted shares granted under the 2021 Incentive Scheme by the Company represents approximately 0.89% of the weighted average number of A shares of the Company in issue during the first half of 2024.*
11. *Under the 2021 Incentive Scheme, the restricted shares were granted to the participants directly, and except for the restricted shares canceled above, it did not involve the grant of any options or awards which could lapse.*

4 Performance Status of Undertakings

(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 or continuing during 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 performed	If not duly performed, describe the specific reasons	If not duly performed, 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	Others	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	/	/

SIGNIFICANT EVENTS

Notes:

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 Corporation 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) published 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.
2. The Company issued the Letter on Modifying the Undertakings on Certain Contingencies to CRHIC on 25 November 2020, pursuant to which, the performance term of the undertaking in relation to apply for ownership certificates for defective real estate was changed to long term, which was considered and approved by the first extraordinary general meeting for 2020 of CRHIC on 25 December 2020. For details of the relevant undertakings, please refer to the Announcement of CRHIC on Modifying the Performance Term of Undertakings on Certain Contingencies by the Controlling Shareholder of CRHIC published at the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) on 8 December 2020. The Company is currently duly complying with all the undertakings.
3. For details of the relevant undertakings made by the Company and CREC during the share issuance for asset acquisition, please refer to the Report on the Share Issuance for Asset Acquisition of China Railway Group Limited (Revision) published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 31 May 2019. The Company and CREC are currently duly complying with all the undertakings.
4. When acquiring the control of CRPCC, the Company and CREC respectively issued the Undertakings on Avoiding Horizontal Competition with Beijing Hengtong Innovation Luxwood Technology Co Ltd., the Undertakings on Regulating the Related Party Transactions with Beijing Hengtong Innovation Luxwood Technology Co Ltd., and the Undertakings on Ensuring the Independence of Beijing Hengtong Innovation Luxwood Technology Co Ltd. The Company and CREC are currently duly complying with the undertakings.
5. When spinning off and listing CRHEEC on the STAR Market, the Company and CREC respectively issued the Undertakings on Avoiding Horizontal Competition, the Undertakings on Reducing and Regulating the Related Party Transactions, and the Undertakings on Covering the Diluted Immediate Return. For details of the relevant undertakings, please refer to the Plan for China Railway Group Limited on the Spin-off of Its Subsidiary China Railway Highspeed Electrification Equipment Corporation Limited to Go Listing on the STAR Market (Revised) published 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 Non-operating Appropriation of Funds by the Controlling Shareholder and Other Related Parties during the Reporting Period

Not applicable

6 Illegal Guarantee

Not applicable

7 Auditors

(1) The description of appointment and removal of auditors

Resolution on the Appointment of Auditors for the Financial Statements and Internal Control of China Railway Group Limited for 2024 was considered and passed at the 40th meeting of the fifth session of the Board of Directors of the Company held on 24 May 2024. For details of the appointment of auditors, please see the Announcement of China Railway Group Limited on the Change of Auditors published on the website of the Shanghai Stock Exchange on 25 May 2024. These resolutions were then considered and passed at the 2023 annual general meeting of the Company on 28 June 2024. The Company has engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the auditors of the Company for 2024 and engaged Deloitte Touche Tohmatsu Certified Public Accountants LLP as the internal control auditor for 2024. For details, please refer to the Announcement of China Railway Group Limited on Resolutions of Annual General Meeting of 2023 disclosed by the Company on the website of the Shanghai Stock Exchange on 29 June 2024.

(2) Explanation of the Company on the “Modified Audit Report” from auditors

Not applicable

(3) Changes in and handling of the matters related to the qualified auditing opinions in the annual report for the previous year

Not applicable

8 Matters Relating to Insolvency or Restructuring

Not applicable

9 Material Litigation and Arbitration

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

10 Order against the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders, Ultimate Controller and Acquirer

Not applicable

11 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 requirements of the laws and regulations and normative documents, such as the Company Law and the Securities Law, and duly fulfilled all the undertakings without committing any default.

SIGNIFICANT EVENTS

12 Significant Related Party Transactions

(1) Related party transactions in ordinary course of business

(i) Matters which were disclosed in an announcement without subsequent progress or changes

Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes

Unit: Thousand Currency: RMB

Related Party	Related relationship	Type of related party transaction	Particulars of related party transaction	Pricing method of related party transaction	Price of related party transaction	Amount of related party transaction	Percentage of transaction value to the same type of transactions (%)
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiary of the parent company	Leasing service	Lease of office premises, etc.	Contract price	14,110	14,110	Less than 1%
China Railway State Assets Management Co., Ltd. and party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiary of the parent company	Receipt of labor services	Receipt of comprehensive services	Contract price	31,370	31,370	Less than 1%
Total					45,480	45,480	

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.

(iii) Matters undisclosed in announcement

Not applicable

(2) Related party transactions in relation to acquisition of assets or acquisition and disposal of equity interests

(i) Matters which were disclosed in an announcement without subsequent progress or changes
Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes
Not applicable

(iii) Matters undisclosed in announcement
Not applicable

(iv) Discloseable performance for the reporting period of related party transactions with agreed-upon performance targets
Not applicable

(3) Significant related party transactions in relation to joint external investment

(i) Matters which were disclosed in an announcement without subsequent progress or changes
Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes
Not applicable

(iii) Matters undisclosed in announcement
Not applicable

(4) Amounts due from/to related parties

(i) Matters which were disclosed in an announcement without subsequent progress or changes
Not applicable

(ii) Matters which were disclosed in an announcement with subsequent progress or changes
Not applicable

(iii) Matters undisclosed in announcement
Not applicable

SIGNIFICANT EVENTS

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

China Railway Finance Co., Ltd. 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 Transaction of Financial Services Framework Agreement between China Railway Finance Co., Ltd. and China Railway Engineering Group Co., Ltd. was considered and adopted at the 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.

(i) Deposit business

Unit: Thousand 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%	613,862	233,124	545,065	301,921
China Railway State Assets Management Co., Ltd.	Wholly-owned subsidiaries of the parent company	20,000,000	1.265%	20,217	483,691	461,351	42,557
Party school of China Railway Engineering Group Co., Ltd.	Wholly-owned subsidiaries of the parent company		1.265%	14,511	70,186	40,153	44,544
Total				648,590	787,001	1,046,569	389,022

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(ii) Loan business

Unit: Thousand 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%	0	0	0	0
Total				0	0	0	0

(iii) Credit granting business or other financial business

Unit: Thousand Currency: RMB

Related Party	Related relationship	Business type	Total	Amount incurred
CREC	Parent company	Comprehensive credit granting	3,500,000	0
Total			3,500,000	0

SIGNIFICANT EVENTS

(iv) Others notes

Unit: Thousand Currency: RMB

Item	Related Party	Amount for the current period	Amount of the corresponding period of last year
Interest income	CREC	0	12,478
Interest expenses	CREC	3,275	10,687
Interest expenses	China Railway State Assets Management Co., Ltd.	149	173
Interest expenses	Party school of China Railway Engineering Group Co., Ltd.	437	147

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 China Railway Engineering Group Co., Ltd. for deposit-taking.

(6) Other significant related party transactions

Related guarantee

Unit: Thousand Currency: RMB

Guarantor	Secured party	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
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. According to the guarantee period stipulated in the Company's Prospectus for the Public Issuance of Corporate Bonds, the period during which the guarantor assumes the guarantee responsibility is from the first day of bond issuance to six months after the maturity date of the bond. As of 30 June 2024, the guarantee liability undertaken by CREC as the guarantor of the 15-year 2010 Corporate Bonds (Tranche 2) has not expired. As at 30 June 2024, the remaining payable amount of the above-mentioned bonds was RMB3,606,960 thousand (31 December 2023: RMB3,527,937 thousand).

13 Material Contracts and Their Performance

(1) Trusteeship, contracting and leasing

Not applicable

(2) Material guarantees performed and not performed during the reporting period

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 date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Guarantee fully performed	Guarantee overdue	Overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
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	No	/	None	No	/
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Qinghai Minmetals China Railway Highway 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	No	/	None	No	/
China Railway No.5 Engineering Group Co., Ltd.	Wholly-owned subsidiary	Jiangxi Chengke Yunchuang Real Estate Co., Ltd.	3,255.39	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	/
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	30 December 2025	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.	8,581.14	14 November 2019	14 November 2019	23 August 2039	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	/	None	No	/
China Railway Shanghai Engineering Group Co. Ltd.	Wholly-owned subsidiary	Fangchenggang China Railway Diliyuan Investment Development	500.00	8 May 2019	8 May 2019	31 December 2030	Joint and several liability guarantee	Normal performance	Equity pledge	No	No	/	None	No	/

SIGNIFICANT EVENTS

Guarantees provided by the Company (excluding the guarantees to subsidiaries)														
Guarantor	Relationship between guarantor and the listed company	Secured party	Guarantee amount	Commencement date of guarantee agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Main debt condition	Collateral (if any)	Guarantee fully performed	Guarantee overdue amount	Counter guarantee available	Guarantee provided to related parties	Related relationship
China Railway International Group Co., Ltd.	Wholly-owned subsidiary	MontagProp Proprietary Limited	5,836.50	3 July 2015	3 July 2015	31 December 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.	385,293.05	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)														
Total balance of guarantees as at the end of the reporting period (A) (excluding the guarantees provided to subsidiaries)														
Guarantees provided by the Company to its subsidiaries														
Total amount of guarantees provided to subsidiaries during the reporting period														
Total balance of guarantees provided to subsidiaries at the end of the reporting period (B)														
Total guarantee provided by the Company (including guarantee to its subsidiaries)														
Total amount of guarantees (A+B)														
Percentage of total guarantees over the net assets of the Company (%)														
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)														
Total amount of guarantees exceeding 50% of net assets (E)														
Total amount of the above three types of guarantees (C+D+E)														
Statement on the contingent, joint and several liability in connection with unexpired guarantee														
Explanations on guarantees														
1. The aggregate guarantee included the commitment to make up the difference of RMB82,823.345 million provided to its subsidiaries.														
2. As at 30 June 2024, the balance of guarantee of China Railway Group Limited (consolidated) in relation to real estate mortgage was RMB28,341.103 million.														

14 Other material contracts

(1) Material contracts signed by the Group during the reporting period

(i) Engineering construction

No.	Signatory	Name of contract	Date of winning the bidding/contract signature	Contract sum (RMB'0,000)	Construction period
Railways					
1	China Railway No. 2 Engineering, China Railway No. 5 Engineering, China Railway No. 7 Engineering, China Railway Guangzhou Engineering, China Railway Beijing Engineering	General contracting of sections TYZQ-5, TYZQ-6, TYZQ-9, TYZQ-10 and TYZQ-11 for the construction of the civil engineering and auxiliary projects and the relevant project (excluding sections previously commenced) of the newly built Nantong – Ningbo High-speed Railway	June 2024	1,606,686	1,267 calendar days
2	China Railway No. 6 Engineering, China Railway Construction	General contracting tender of sections SJSJG-13 and SJSJG-14 for the construction of the civil engineering and auxiliary projects and the relevant project of Shenzhen Airport East Station, Binhai Bay Station, Henglan Station, Zhongshan Station, Zhongshan North Station of the newly built Shenzhen – Jiangmen Railway	June 2024	724,385	1,238 calendar days
3	China Railway No. 1 Engineering, China Railway Major Bridge Engineering	The civil engineering and auxiliary projects of the newly built Hefei-Wuhan High-speed Railway (the Hubei section)	January 2024	687,574	54 months
Highway					
1	China Railway No. 4 Engineering	Contracting section No. 3 of main works construction of the reconstruction and expansion project of He'ao-Shenzhen Airport Section of Shenyang – Haikou National Expressway	May 2024	275,951	54 months
2	China Railway Major Bridge Engineering	section HNQL-1 for the construction of the main bridge of Hannan Yangtze River Bridge and connection project Yangtze River Bridge of Wuhan Metropolitan Ring Expressway	April 2024	218,380	1,248 calendar days
3	China Railway No. 8 Engineering and other parties	General contracting for construction of Jinjiang-Shishi Branch Line (Pengtian Link) of Fuzhou – Xiamen Expressway	April 2024	173,581	36 months

SIGNIFICANT EVENTS

No.	Signatory	Name of contract	Date of winning the bidding/ contract signature	Contract sum (RMB'0,000)	Construction period
Municipal works					
1	China Railway No. 1 Engineering and other parties	Phase I Urban Renewal Project of Sujiatun Yingchun Street Cultural Creative Zone (general contracting of EPC Project)- (old community reconstruction, cultural creative industrial park, road engineering, green land upgrading project)	April 2024	193,000	1,095 calendar days
2	China Railway No. 10 Engineering and other parties	Construction of Integrated Transportation Hub Project of Yantai South Railway Station	June 2024	166,571	800 calendar days
3	China Railway No. 7 Engineering	General contracting of Second Section for construction of Industrial Park Infrastructure (Phase I) in Zhengzhou Airport Hub Economic Zone	March 2024	126,929	400 calendar days
Urban rails					
1	China Railway Group, China Railway (Guangzhou) Investment & Development, China Railway No. 2 Engineering, China Railway Major Bridge Engineering, China Railway Tunnel	General Contracting of Section GHGT-1 for the construction of Baiyun Airport T3-Jiangcun West Section of Guangzhou-Heyuan High-speed Railway	January 2024	311,859	60 months
2	China Railway Electrification Engineering	Procurement and installation of system integration equipment related to Jinan Urban Rail Transit Line 4 Phase I Project and Line 8 Phase I Project	February 2024	143,622	2 years
3	China Railway No. 10 Engineering	Section SG18-9 of the civil construction of Hangzhou Urban Rail Transit Line 18 Phase I Project	January 2024	108,710	1,187 calendar days

(ii) Design and consulting

No.	Signatory	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period
1	China Railway Changjiang Design (中鐵長江設計)	Feasibility study and preliminary survey and design of Hechuan-Beibei-Yubei-Changshou Expressway Project	March 2024	8,919	Until completion and acceptance
2	China Railway Consulting	Survey and design of construction drawing of Caideng-Tuke Class I Highway Project	January 2024	3,060	Until completion and acceptance
3	China Railway Major Bridge Engineering	Survey and design and related topics of Railway Special Line of Nanzhang County State-owned Capital Investment Group Co., Ltd. (南漳縣國有資本投資集團有限公司) (Railway Special Line of Xiangyang Circular Economy Industrial Park)	February 2024	3,007	Until completion and acceptance

(iii) Equipment manufacturing

No.	Signatory	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period
Steel structures					
1	CRHIC	Contract of section DZSGL-2 for manufacture of main steel girders for Zhijiang Bailizhou Yangtze River Bridge and Songzi River Bridge of Danyang-Zhijiang-Songzi Expressway (including Zhijiang Bailizhou Yangtze River Bridge)	January 2024	27,755	24 months
2	CRHIC	Component-based construction of the Main Tower of Qinglongmen, Work Area 4, Management Department of Liuhe Bridge Phase II Project	June 2024	13,011	15 May 2024-28 February 2025
3	CRHIC	Main Bridge Project of Yujiang Bridge of Hengqin Expressway	January 2024	8,846	1 March 2024-30 October 2024
Turnout					
1	CRHIC	Turnout project of newly built Shenyang-Baihe High-speed Railway	February 2024	19,889	From March 2024 to the completion of the project
2	CRHIC	Assembly frog procurement project	June 2024	9,735	Actual supply is subject to the material requirement plan of construction units
3	CRHIC	Chongqing Railway turnout sales contract	June 2024	7,869	By 31 December 2025

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No.	Signatory	Name of contract	Contract signing date	Contract sum (RMB'0,000)	Construction period
Engineering machinery (including track equipment and shields)					
1	CRHIC	Procurement of Tunnel Boring Machine (TBM) equipment for river diversion and Han replenishment project by Sinohydro Bureau 8 (水電八局) under POWERCHINA (中國電建)	March 2024	21,881	By 30 April 2025
2	CRHIC	Procurement of single Shield TBM for civil construction of river diversion and Han replenishment project and section 6 of hydropower electromechanical installation project	March 2024	20,845	By 15 December 2024
3	CRHIC	Procurement contract for composite earth pressure/slurry balance shield machine	June 2024	8,380	As required by Party A

(iv) Property development

Land purchases

No.	Project name	Project location	Project type	Site area (0'000 square meters)
1	Plot CB6-5-3 and Plot CB6-5-12-1, Yanming Lake, Chanba District, Xi'an	Xi'an, Shaanxi	Secondary development	11.69
2	Plot 17-01 and 21-01, Unit S110501, Gumeibei Community, Qibao Town, Minhang District, Shanghai	Minhang, Shanghai	Secondary development	3.15
3	Plot 37-12, Unit Z00-0101, Shanggan Subdistrict, Pudong New District, Shanghai	Pudong, Shanghai	Secondary development	1.25

Property held for development

Name of building or project	Address	Current land use	Land area (0'000 square meters)	Floor area (0'000 square meters)	State of completion	Expected completion date	Interests of the Company and its subsidiaries
China Railway Caishi Project	South of Jingshidong Road, north of Guangfu Avenue and west of Panlong Road, Licheng District, Jinan City, Shandong Province	Commercial housing land, commercial land	58.81	106.58	Under construction	2030	100%
Guangzhou Nuode Cloud City	North of Jiangfu Road and west of Guanghua Road, Jianggao Town, Baiyun District, Guangzhou City, Guangdong Province	Urban residential land	11.7	35	Under construction	2024	80%
Yipin Garden	Lane 1758, Huqingping Highway, Xujing Town, Qingpu District, Shanghai	Ordinary commercial housing	6.04	15.4	Under construction	2024	100%
Beijing Daxing District Huangcun Town Project	Huangcun Town, Daxing District, Beijing	Public service facilities, underground garage, underground storage, residential, commercial	4.64	19.79	Under construction	2024	100%
China Railway Changchun Expo City	No.6888 Yongchun Street, Yongchun Town, Chaoyang District, Changchun City, Jilin Province	Urban residential land, other land for commercial use, land for cultural facilities	232.71	447.16	Under construction	2032	90%

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 Lwwei Road, Hebei District, Tianjin	Commercial	January 2054	100%
Part of commercial units from Floor 1 to Floor 8 of Buildings 1 and 2 in Block E1 of Guiyang Huaguoyuan Project	Buildings 1 and 2, Block E1, Pengjiawan Dangerous Old Housing and Shantytown Reconstruction Project, Huaguoyuan, Guiyang	Commercial	April 2052	100%

SIGNIFICANT EVENTS

Name	Location	Use	Tenure	Interests of the Company and its subsidiaries
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%
Neighborhood No. 564, Rental Housing, Taopu Town, Putuo District (Lots 50-07 and 51-09, Unit W12301)	Blocks 3 and 5, Neighborhood No. 564, Taopu Town, Putuo District, Shanghai	Commercial	January 2090	100%

(v) Assets operation business

Material infrastructure investment projects signed during the reporting period

No.	Name of contract	Signatory	Contract sum (RMB 100 million)	Shareholding of the project company	Construction period (years)	Concession period (years)	Signing date
1	Concession project of Huangshan Tourism Line T1 Phase I Project	China Railway (Shanghai) Investment Group Co., Ltd. and other parties (project company)	114.98	China Railway holds 70%, Huangshan Tourism Group Co., Ltd. (黃山旅遊集團有限公司) holds 20%, and Huangshan Construction Investment Group Co., Ltd. (黃山市建設投資集團有限公司) holds 10%.	4	36	May 2024

SIGNIFICANT EVENTS

No.	Name of contract	Signatory	Contract sum (RMB 100 million)	Shareholding of the project company	Construction period (years)	Concession period (years)	Signing date
2	Shenyang Airport Economic Pilot Zone (Start-up Package) Project	China Railway Shanghai Engineering Group Co. Ltd. and other parties (project company)	67.42	Shenyang Free Trade International Port Investment Development Co., Ltd. (瀋陽自貿國際港 投資發展有限公司) holds 60%; China Railway holds 25%; and Shenyang Urban Renewal Co., Ltd. (瀋陽市 城市更新有限公司) holds 15%.	6	19	February 2024

Material infrastructure investment projects operated during the reporting period

No.	Name of contract	Signatory	Contract sum (RMB 100 million)	Signing date	Operation period (years)	Time of entering the operation period
1	PPP project of Dalian Metro Line 5	China Railway 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 and other parties	146.79	September 2016	25	December 2019
3	PPP project of the Beijing- Xiongan Expressway (Beijing section)	China Railway and other parties	122.1	January 2021	25	December 2023

SIGNIFICANT EVENTS

(vi) Emerging businesses

No.	Signatory	Project name	Contract signing date	Contract sum (RMB'0,000)	Construction period
1	China Railway No. 2 Engineering, China Railway Tunnel	Sections 2 and 7 of Jilin DSW Project	March 2024	417,294	96 months
2	China Railway No. 5 Engineering	Section 1 of DSX Groundwater Replenishment Project in Changji Prefecture, Xinjiang	June 2024	298,897	As required by Party A
3	China Railway No. 4 Engineering	Jiujiang Economic and Technological Development Zone Sewage Treatment Plant Reconstruction and Expansion Project and Pipeline Network Upgrading and Reconstruction Project	May 2024	115,049	As required by Party A

(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	14 May 2024	Strategic cooperation framework agreement between Xinxing Cathay International Group Co., Ltd. and China Railway Group Limited	-	The two sides will carry out strategic cooperation in various fields, such as infrastructure construction, new energy and new energy storage, emergency rescue, modern supply chain logistics, scientific and technological innovation, asset operation management, personal protection products and service cooperation.
2	17 May 2024	Strategic cooperation framework agreement between the Harbin Municipal People's Government and China Railway Group Limited	-	The two sides will carry out strategic cooperation in various fields, such as major infrastructure, urban village reconstruction, urban renewal and urban operation, urban rail transit, food security strategy and cultural tourism, water and environmental protection and new energy.

15 Compliance with Corporate Governance Code

During the six months ended 30 June 2024, the Company had complied with all code provisions set out in Part 2 of Appendix C1 to the Hong Kong Listing Rules.

16 Review of Interim Financial Report

The 2024 interim financial statements for the six months ended 30 June 2024 of the Company prepared in accordance with CAS and the 2024 interim condensed financial information prepared in accordance with IAS 34 (collectively referred as “**2024 Interim Financial Report**”) have not been audited. The 2024 Interim Financial Report has been reviewed by the Board of Directors and the Audit and Risk Management Committee under the Board of Directors of the Company.

17 Event after the Reporting Period

On 11 July 2024, the Company issued the first batch of Science and Technology Innovation Renewable Corporate Bonds (Batch One Renewable Bonds), with an aggregate principal amount of RMB2.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Batch One Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.29% per annum (category one) and 2.54% per annum (category two).

On 24 July 2024, the Company issued the second batch of Science and Technology Innovation Renewable Corporate Bonds (Batch Two Renewable Bonds), with an aggregate principal amount of RMB3.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Batch Two Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.26% per annum (category one) and 2.47% per annum (category two).

On 15 August 2024, the Company issued the third batch of Science and Technology Innovation Renewable Corporate Bonds (Batch Three Renewable Bonds), with an aggregate principal amount of RMB3.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Batch Three Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.23% per annum (category one) and 2.43% per annum (category two).

On 26 August 2024, the Company issued the fourth batch of Science and Technology Innovation Renewable Corporate Bonds (Batch Four Renewable Bonds), with an aggregate principal amount of RMB2.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Batch Four Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.26% per annum (category one) and 2.49% per annum (category two).

On 30 August 2024, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Incentive Scheme was considered and approved at the 28th meeting of the fifth session of the Supervisory Committee and the 2nd meeting of the sixth session of the Board of Directors of the Company, respectively. In accordance with the 2021 Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase and cancel certain restricted shares under the 2021 Incentive Scheme. The total number of restricted shares intended to be repurchased by the Company is 7,384,576.

On 30 August 2024, the Proposal on the Fulfillment of the Unlocking Conditions for the First Unlocking Period under the Reserved Grant of the Restricted Shares under the 2021 Incentive Scheme was considered and approved at the 28th meeting of the fifth session of the Supervisory Committee and the 2nd meeting of the sixth session of the Board of Directors of the Company, respectively. There are 50 participants under the reserved grant eligible for unlocking, including 49 participants on a 100% basis and 1 participant on a 80% basis, and the number of restricted shares which are involved in the unlocking is 3,958,098.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

1 Environmental Information

(1) Description of environmental protection efforts of the highly polluting companies and their principal subsidiaries as announced by the environmental protection authorities

Not applicable

(2) Description of environmental protection efforts of companies other than highly polluting companies

(i) Administrative penalties due to environmental issues

In the first half of 2024, due to the improper disposition of construction wastes, illegal land seizure and waste water discharge in certain construction projects during construction, the Company's subsidiaries were subject to administrative penalties by local environmental protection regulatory authorities. The penalty totalled approximately RMB1.662 million and involved 5 construction projects. At present, all the penalties have been rectified in accordance with the requirements of the local government. 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.

(ii) Disclosure of other environmental information with reference to highly polluting companies

Not applicable

(iii) Reasons for not disclosing other environmental information

Not applicable

(3) Description of follow-up progress or changes in the disclosure of environmental information during the reporting period

The Company adopts various measures in implementing the thought of General Secretary Xi Jinping on ecological civilization, including studying and publishing the "Guiding Opinions of China Railway on Promoting the Construction of Beautiful China", accelerating the company-wide green transformation, deepening the prevention of pollution and the protection of ecological environment, seeking to fulfill the main responsibility of energy conservation and environmental protection as a central enterprise. Focusing on the four major tasks and 15 key measures under the Guiding Opinions, China Railway further promotes its green and low-carbon development, enhances energy efficiency, and continue to reduce the intensity of carbon emissions and the total emissions of major pollutants, enabling it to improve its ability to prevent and control environmental pollution significantly and make its contribution as a central enterprise to the promotion of the construction of beautiful China.

(4) Information on ecological protection, pollution prevention and fulfillment of environmental responsibilities

The Company fully implements the requirements of SASAC on ecological and environmental protection and management by organizing activities controlling construction pollution on the environment, strictly investigating illegal emissions, and issuing the “Implementation Opinions of China Railway on the Remediation of Ecological and Environmental Protection for Projects in the Yangtze River and Yellow River Basin” and monitoring all units of the Company to formulate the “Action Plan for Specialized Remediation of Ecological and Environmental Protection in the Yangtze River and Yellow River Basin”. In the first half of 2024, the Company issued an alert on the ecological and environmental protection risk in relation to the illegal disposal of construction wastes (waste soil) and soil dumping (borrow pit) sites and also issued a notice on specialized remediation activity in respect thereof, in a bid to continuously strengthen the Company’s efforts in the ecological and environmental protection and management of construction projects.

(5) Measures taken to reduce carbon emissions during the reporting period and their effects

Adhering to the thought of General Secretary Xi Jinping on ecological civilization, the Company implements the work plans formulated by SASAC on environmental protection and low carbon in all respects. In conjunction with the requirements of the SASAC on the preparation of carbon peak action plans for central enterprises, the Company has formulated the “Carbon Peak Action Plan of China Railway Group Limited” setting out the relevant carbon peak actions for each unit. The Company also strengthens the monitoring and assessment of energy conservation and environmental protection by issuing binding assessment target documents, and overseeing the implementation of energy conservation and environmental protection work by each unit and in respect of each project. Besides, the Company eliminates outdated production capacity to promote energy saving and emission reduction, promotes advanced energy-saving and carbon reduction technologies, gives priority to the equipment that reach the energy-saving level during procurement, classifies and implements product and equipment upgrading and renovation, and gradually eliminates inefficient and outdated equipment, so as to promote the high-quality development of the enterprise in energy saving, environmental protection and greening. With its continuous efforts to strengthen the demonstration of green construction technology to build China Railway as a green brand, in 2023, the Company appraised and elected 100 green construction technology demonstration projects of China Railway and 40 energy-saving and low-carbon technologies, including 29 energy-saving technologies and 11 low-carbon technologies. In 2024, two technologies, including “high-efficiency shield-structure waste soil processing technology”, were selected by the Company to be submitted to the SASAC to apply for the national-level green technology. The Company attaches great importance to energy conservation, environmental protection and low-carbon publicity work, and in particular, during the National Energy Conservation Publicity Week and Low Carbon Day, the Company worked out and organized various publicity activities with the theme of energy conservation and low carbon.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

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 the first half of 2024, the comprehensive energy consumption (comparable price) per ten-thousand yuan of operating income of the Company was 0.0397 ton of standard coal/RMB10,000, 3.17% lower than the same period last year; and the emissions of CO₂ per ten-thousand yuan of operating income of the Company were 0.1381 ton/RMB10,000, 3.36% lower than the same period last year.

(6) Details of consolidating the results of poverty alleviation and rural revitalization

In the first half of 2024, adhering to the guidance of the thought of Xi Jinping on socialism with Chinese characteristics for a new era, the Company took further steps to implement the work plans formulated by the CPC Central Committee, the State Council and the SASAC on assisting rural revitalization, continued to carry forward the pioneering spirit of China Railway in promoting the “Five Revitalizations”, and made its best efforts to promote rural revitalization for more achievements and make contribution to the high-quality development of the assisted areas.

Firstly, improve the organization of and guidance to poverty alleviation. The Party Committee of the Company convened a meeting of the leadership group of the 2024 targeted poverty alleviation and rural revitalization, at which the participants studied the important instructions of General Secretary Xi Jinping on the “Three Rural Issues”, and determined the key supporting projects and plans for the use of funds for the year 2024. In accordance with the requirements of the higher level and taking into account the needs of the supported areas, the Company has developed and published the “2024 Work Plan for Targeted Poverty Alleviation”, which sets out various specific tasks for the year.

Secondly, increase efforts in industry-based poverty alleviation. Based on the resource advantages in the supported areas, the Company provided supporting funds in a timely manner to invest in the construction of the high-standard farmland project in Baode County, continue to support the development of the Baimao tea industry in Rucheng County, invest in the construction of the cold chain logistics & trading center of agricultural products in Shazhou, and invest in the construction of the high-standard farmland project “cold-water rice industry” in Guidong County. In addition, the Company invested in the construction of beautiful countryside project in Mozhong Village, Shagong Township, Karuo District, Chamdo City, Tibet Autonomous Region.

Thirdly, continue to promote poverty alleviation through education. Insisting on the combination of mental and intellectual health improvement, the Company continues to refine its training systems. With the continuous promotion of the construction of “Skills for All”, “Dream Classroom” and other education brands and introduction of the “Innovation Workshop” of Liang Xijun, a national labor model, the Company makes full use of the advantages of China Railway in respect of professional resources, aiming to improve the quality of training. More than 1,500 basic-level management personnel and 650 village revitalization leaders received trainings during the first half of the year.

Fourthly, deepen and expand poverty alleviation through consumption. While further exploring the potential of internal consumption, the Company endeavor to expand the external market, improve the online + offline, inside + outside county marketing approach, and continue to expand the sales channels of the agricultural and sideline products in the supported counties. In the first half of the year, the Company and its subsidiaries purchased agricultural products of over RMB4 million and helped sell agricultural products of over RMB1 million.

Fifthly, construct beautiful countryside and improve living environment. Focusing on the shortcomings of rural infrastructure, the Company conducted in-depth remediation on the living environment and improve the appearance of the countryside. In Baode County, we helped bring tap water to the households of three villager groups, and installed solar streetlights for three villager groups. In Guidong County, we completed the construction of three elderly canteens and the renovation of 50 homes for the elderly in difficulty.

Sixthly, promote the revitalization of Party building culture. The Company keeps exploring, carrying on and innovating excellent rural culture. In Tuanwo Village, Baode County, the Company supports the compilation of a village journal and the construction of a culture and entertainment space to act as the comprehensive villager activity center integrating training and learning, film watching and entertainment, and business coordination. In Guidong County, it subsidized 50 junior and senior high school students from difficult families with good academic performance to receive education, and organized the “Micro Wish Fulfillment Activity” to help the children realize their “micro wishes”.

DEFINITION AND GLOSSARY OF TECHNICAL TERMS

1	Articles of Association	Articles of Association of China Railway Group Limited
2	Belt and Road	Silk Road Economic Belt and 21st Century Maritime Silk Road
3	BOT	“Build-Operate-Transfer” mode
4	Company, China Railway	China Railway Group Limited
5	CREC	China Railway Engineering Group Company Limited, formerly known as China Railway Engineering Corporation
6	Five Roles of China Railway	shouldering the responsibility of a great power, pioneer in leading infrastructure construction, leader in industrial chain with green development, multinational company with brand influence, and modern enterprise with social respect
7	Group	the Company and its subsidiaries
8	NDRC	National Development and Reform Commission of the People’s Republic of China
9	PPP	“Public-Private-Partnership” mode
10	SASAC	State-owned Assets Supervision and Administration Commission of the State Council
11	Shield Tunneling Machine	a full-section tunneling excavator which can complete tunneling, slag discharging, pipe segments assembling and other operations under the protection of a rigid shield
12	TBM	Tunnel Boring Machine
13	Three Major Projects	affordable housing, urban village renovation and “both emergency and leisure” public infrastructure construction
14	Three Transformations	Promoting the transformation from made in China to created in China, speed of China to quality of China, and products of China to brands of China
15	turnout	a component used for changing the route of a train where a single track splits into two tracks. Turnout is applied in railway tracks

COMPANY INFORMATION

Directors

Executive directors

Mr. CHEN Yun (*Chairman*)
Mr. CHEN Wenjian
Mr. WANG Shiqi

Non-executive director

Mr. WEN Limin

Independent non-executive directors

Mr. XIU Long
Ms. SUN Lishi
Mr. TU Haiming

Supervisors

Mr. JIA Huiping (*Chairman*)
Mr. LI Xiaosheng
Mr. WANG Xinhua
Mr. WAN Ming

Joint company secretaries

Mr. MA Yonghong
Mr. TAM Chun Chung *CPA, FCCA*

Authorized representatives

Mr. WANG Shiqi
Mr. TAM Chun Chung *CPA, FCCA*

Audit and risk management committee

Ms. SUN Lishi (*Chairlady*)
Mr. WEN Limin
Mr. XIU Long

Remuneration committee

Mr. XIU Long (*Chairman*)
Mr. WEN Limin
Ms. SUN Lishi

Strategy and investment committee

Mr. CHEN Yun (*Chairman*)
Mr. CHEN Wenjian
Mr. WEN Limin
Mr. XIU Long
Mr. TU Haiming

Nomination committee

Mr. CHEN Yun (*Chairman*)
Ms. SUN Lishi
Mr. TU Haiming

Safety, health and environmental protection committee

Mr. CHEN Wenjian (*Chairman*)
Mr. WANG Shiqi
Mr. WEN Limin
Mr. XIU Long
Mr. TU Haiming

COMPANY INFORMATION

Registered office

918, Block 1
No. 128 South 4th Ring Road West
Fengtai District
Beijing 100070
PRC

Principal place of business in Hong Kong

Unit 1201-1203
12/F, APEC Plaza
49 Hoi Yuen Road, Kwun Tong
Kowloon, Hong Kong

Auditors

Domestic

Deloitte Touche Tohmatsu Certified Public Accountants LLP
30/F, No. 222 East Yan'an Road
Huangpu District,
Shanghai, the PRC

International

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

Legal advisors

Jun He Law Offices
No. 8 Jianguomen North Street
Beijing, PRC

Shares registrars

A Shares

China Securities Depository and Clearing Corporation Limited, Shanghai Branch
No. 188, South Yanggao Road
Pudong New Area, Shanghai
PRC

H Shares

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Listing information

A Shares

Place of listing: Shanghai Stock Exchange
Stock name: China Railway
Stock code: 601390

H Shares

Place of listing: The Stock Exchange of Hong Kong Limited
Stock name: China Railway
Stock code: 390

Principal bankers

The Export-Import Bank of China
Industrial and Commercial Bank of China
China Construction Bank
Agricultural Bank of China
Bank of China
Bank of Communications
China Minsheng Bank
China Merchants Bank
China CITIC Bank

Company website

<http://www.crec.cn>

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CHINA RAILWAY GROUP LIMITED

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

Introduction

We have reviewed the condensed consolidated financial statements of China Railway Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 79 to 132, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE 2410") issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The comparative condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 and the relevant notes to the condensed consolidated financial statements were extracted from the interim financial information of the Group for six-month period ended 30 June 2023 reviewed by another auditor who expressed an unmodified conclusion on the interim financial information on 30 August 2023. The comparative condensed consolidated statement of financial position as at 31 December 2023 were extracted from the consolidated financial statements of the Group for the year ended 31 December 2023 audited by the same auditor who expressed an unmodified opinion on those statements on 28 March 2024.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Notes	Six-month period ended 30 June	
		2024	2023
		RMB million (Unaudited)	RMB million (Unaudited)
Revenue	4	544,522	590,766
Cost of sales and services	11	(497,765)	(539,860)
Gross profit		46,757	50,906
Other income	5	1,488	1,525
Other expenses	5	(575)	(384)
Net impairment losses on financial assets and contract assets	6	(1,756)	(1,855)
Other gains and losses, net	7	182	426
Losses from derecognition of financial assets at amortised cost	8	(1,658)	(1,476)
Selling and marketing expenses	11	(2,908)	(3,066)
Administrative expenses	11	(12,904)	(13,130)
Research and development expenditures	11	(9,225)	(10,291)
Operating profit		19,401	22,655
Finance income	9	4,447	4,303
Finance costs	9	(5,737)	(5,535)
Share of post-tax losses of joint ventures		(214)	(638)
Share of post-tax profits of associates		1,663	2,187
Profit before income tax		19,560	22,972
Income tax expense	10	(3,891)	(4,708)
Profit for the period		15,669	18,264
Profit attributable to:			
– Owners of the Company		14,279	16,239
– Non-controlling interests		1,390	2,025
		15,669	18,264
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	13	0.532	0.605
– Diluted	13	0.532	0.605

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Six-month period ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Profit for the period	15,669	18,264
Other comprehensive (expense)/income, net of income tax		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of retirement and other supplemental benefit obligations	(51)	(32)
Income tax relating to remeasurement of retirement and other supplemental benefit obligations	8	5
Changes in the fair value of equity investments at fair value through other comprehensive income	70	(110)
Income tax relating to changes in the fair value of equity investments at fair value through other comprehensive income	(12)	25
	15	(112)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations	(116)	67
Share of other comprehensive income of associates	26	427
	(90)	494
Other comprehensive (expense)/income for the period, net of tax	(75)	382
Total comprehensive income for the period	15,594	18,646
Total comprehensive income for the period attributable to:		
– Owners of the Company	14,183	16,581
– Non-controlling interests	1,411	2,065
	15,594	18,646

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	<i>Notes</i>	At 30 June 2024 RMB million (Unaudited)	At 31 December 2023 RMB million (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	137,549	136,392
Right-of-use assets		13,810	14,240
Deposits for acquisition of property, plant and equipment		1,250	872
Investment properties		18,769	17,082
Intangible assets	15	197,224	183,484
Mining assets		6,709	3,206
Contract assets	16	265,712	242,534
Investments in joint ventures		60,705	60,322
Investments in associates		64,963	63,305
Goodwill		1,676	1,676
Financial assets at fair value through other comprehensive income	17	19,874	18,267
Other financial assets at amortised cost	18	24,729	26,277
Financial assets at fair value through profit or loss	19	18,807	18,929
Deferred tax assets		13,904	13,166
Other prepayments		621	645
Trade and other receivables	20	23,328	23,198
		869,630	823,595
Current assets			
Properties held for sale		47,971	54,613
Properties under development for sale	21	133,287	107,595
Inventories		80,962	57,153
Financial assets at fair value through other comprehensive income	17	1,461	1,078
Trade and other receivables	20	379,130	293,750
Contract assets	16	286,068	234,191
Current income tax recoverable		5,163	4,611
Other financial assets at amortised cost	18	5,457	8,487
Financial assets at fair value through profit or loss	19	10,955	9,015
Restricted cash and term deposits with maturity over three months		27,985	38,363
Cash and cash equivalents		155,666	196,150
Assets classified as held for sale		689	689
		1,134,794	1,005,695
Total assets		2,004,424	1,829,290

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	<i>Notes</i>	At 30 June 2024 RMB million (Unaudited)	At 31 December 2023 RMB million (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	24,751	24,752
Shares held for 2021 Restricted Share Incentive Scheme	23	(370)	(576)
Share premium and reserves		266,372	258,498
Perpetual notes	25	44,786	49,712
		335,539	332,386
Non-controlling interests		135,738	127,368
Total equity		471,277	459,754
LIABILITIES			
Non-current liabilities			
Trade and other payables	26	32,370	33,803
Borrowings	27	349,012	316,647
Lease liabilities		1,061	1,135
Retirement and other supplemental benefit obligations		1,780	1,787
Provisions		1,107	1,061
Deferred government grants and income		939	968
Deferred tax liabilities		4,076	3,494
		390,345	358,895
Current liabilities			
Trade and other payables	26	841,637	750,610
Contract liabilities	16	139,523	135,708
Current income tax liabilities		7,025	9,435
Borrowings	27	153,463	113,316
Lease liabilities		638	1,009
Retirement and other supplemental benefit obligations		219	262
Financial liabilities at fair value through profit or loss	19	289	292
Provision		8	9
		1,142,802	1,010,641
Total liabilities		1,533,147	1,369,536
Total equity and liabilities		2,004,424	1,829,290

The accompanying notes are an integral part of this condensed consolidated financial information.

The condensed consolidated financial statements on pages 79 to 132 were approved by the Board of Directors on 30 August 2024 and were signed by:

CHEN Yun
Director

CHEN Wenjian
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Notes	Attributable to owners of the Company																					
	Share capital	Share premium	Shares held for 2021 Restricted Share Scheme	Capital reserve	Statutory reserve	Foreign currency translation reserve	Investment revaluation reserve	Retained earnings	Perpetual notes	Total	Non-controlling interests	Total										
													RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
													Balance at 31 December 2023 (Audited)	24,752	52,631	(576)	3,565	21,401	(958)	690	181,169	49,712
Profit for the period	-	-	-	-	-	-	-	14,279	-	14,279	1,390	15,669										
Other comprehensive (expense)/income	-	-	-	(42)	-	(112)	58	-	-	(96)	21	(75)										
Total comprehensive (expenses)/ income for the period ended 30 June 2024	-	-	-	(42)	-	(112)	58	14,279	-	14,183	1,411	15,594										
Total transactions with owners, recognised directly in equity																						
Repurchase and cancel restricted stock	23	(1)	(4)	5	-	-	-	-	-	-	-	-										
Amount recorded in shareholders' equity arising from 2021 Restricted Share Incentive Scheme		-	-	-	42	-	-	-	-	42	-	42										
Unlock restricted stock	23	-	136	176	(136)	-	-	-	-	176	-	176										
Capital contributions from non-controlling shareholders of subsidiaries		-	-	-	-	-	-	-	-	-	6,092	6,092										
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	1,558	1,558										
Transfer of fair value gains of equity investment in other comprehensive income upon disposal		-	-	-	-	-	(3)	3	-	-	-	-										
Redemption of perpetual notes	25	-	(5)	-	-	-	-	-	(4,595)	(4,600)	-	(4,600)										
Dividends declared to shareholders	12	-	-	25	-	-	-	(5,196)	-	(5,171)	-	(5,171)										
Dividends declared to non-controlling shareholders of subsidiaries		-	-	-	-	-	-	-	-	-	(396)	(396)										
Dividends declared to perpetual notes holders	25	-	-	-	-	-	-	(1,157)	(331)	(1,488)	(327)	(1,815)										
Transferred to reserves		-	-	-	-	25	-	(25)	-	-	-	-										
Others		-	11	-	-	-	-	-	-	11	32	43										
Balance at 30 June 2024 (Unaudited)		24,751	52,769	(370)	3,429	21,426	(1,070)	745	189,073	44,786	335,539	135,738	471,277									

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Notes	Attributable to owners of the Company											
	Share capital	Share premium	Shares held for 2021 Restricted Share Incentive Scheme	Capital reserve	Statutory reserve	Foreign currency translation reserve	Investment revaluation reserve	Retained earnings	Perpetual notes	Total	Non-controlling interests	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Balance at 31 December 2022 (Audited)	24,752	52,615	(612)	3,431	19,827	(849)	678	155,619	45,621	301,082	121,828	422,910
Change in accounting policy	-	-	-	-	-	-	-	(25)	-	(25)	(16)	(41)
Balance at 1 January 2023 (Restated)	24,752	52,615	(612)	3,431	19,827	(849)	678	155,594	45,621	301,057	121,812	422,869
Profit for the period	-	-	-	-	-	-	-	14,909	1,330	16,239	2,025	18,264
Other comprehensive (expense)/income	-	-	-	(25)	-	42	325	-	-	342	40	382
Total comprehensive (expenses)/ income for the period ended 30 June 2023	-	-	-	(25)	-	42	325	14,909	1,330	16,581	2,065	18,646
Total transactions with owners, recognised directly in equity												
Amount recorded in shareholders' equity arising from 2021 Restricted Share Incentive Scheme	-	-	-	74	-	-	-	-	-	74	2	76
Capital contributions from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	2,330	2,330
Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries	-	(83)	-	(25)	-	-	-	-	-	(108)	59	(49)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	1	1
Redemption of perpetual notes	25	-	-	-	-	-	-	-	(5,600)	(5,600)	-	(5,600)
Dividends declared to shareholders	12	-	-	36	-	-	-	(4,950)	-	(4,914)	-	(4,914)
Dividends declared to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(632)	(632)
Dividends declared to perpetual notes holders	25	-	-	-	-	-	-	-	(1,586)	(1,586)	(534)	(2,120)
Transferred to reserves	-	-	-	-	19	-	-	(19)	-	-	-	-
Transfer of fair value gains of equity investment in other comprehensive income upon disposal	-	-	-	-	-	-	-	171	-	171	-	171
Balance at 30 June 2023 (Unaudited)	24,752	52,532	(576)	3,455	19,846	(807)	1,003	165,705	39,765	305,675	125,103	430,778

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Six-month period ended 30 June	
	2024	2023
	RMB million (Unaudited)	RMB million (Unaudited)
Net cash used in operating activities	(69,332)	(29,967)
Cash flows from investing activities		
– Additions of property, plant and equipment	(9,753)	(12,518)
– Disposal of property, plant and equipment	774	479
– Additions of right of land use	(66)	(204)
– Disposal of right of land use	2	172
– Additions of intangible assets	(11,995)	(14,308)
– Payments for mining assets	(2,823)	–
– Purchase of investment properties	(221)	(485)
– Disposal of investment properties	44	266
– Acquisition of subsidiaries	232	(1,252)
– Investments in associates	(1,319)	(2,272)
– Investments in joint ventures	(850)	(2,768)
– Disposal of joint ventures	32	118
– Disposal of associates	395	332
– Deposits paid for investments	–	(39)
– Purchase of financial assets at fair value through other comprehensive income	(2,628)	(1,490)
– Disposal of financial assets at fair value through other comprehensive income	1,233	359
– Purchase of financial assets at fair value through profit or loss	(8,984)	(7,922)
– Disposal of financial assets at fair value through profit or loss	6,974	8,591
– Purchase of other financial assets at amortised cost	–	(2,876)
– Disposal of other financial assets at amortised cost	4,067	1,343
– Interests received	369	474
– Dividends received	228	397
– Decrease of term deposits with maturity over three months	2,658	660
– Increase of term deposits with maturity over three months	(431)	(1,595)
– Other investing cash flows	–	47
Net cash used in investing activities	(22,062)	(34,491)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Six-month period ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
– Capital contributions from non-controlling shareholders of subsidiaries	6,092	6,415
– Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries	–	(4,069)
– Proceeds from debentures	12,270	6,299
– Repayment of debentures	(7,000)	(13,043)
– Repayment of perpetual notes	(4,600)	(5,600)
– Proceeds from bank borrowings	123,656	125,274
– Repayments of bank borrowings	(65,782)	(74,169)
– Proceeds from other borrowings	3,866	6,390
– Proceeds from deposits of associates and joint ventures	–	2,295
– Repayment of other borrowings	(7,695)	(7,780)
– Interests paid	(8,335)	(7,066)
– Dividends paid to non-controlling shareholders of subsidiaries	(517)	(863)
– Dividends paid to holders of perpetual notes	(494)	(471)
– Advances from non-controlling shareholders of subsidiaries	449	326
– Repayments of advances from non-controlling shareholders of subsidiaries	(508)	(715)
– Repayments of lease liabilities	(593)	(573)
Net cash generated from financing activities	50,809	32,650
Net decrease in cash and cash equivalents	(40,585)	(31,808)
Cash and cash equivalents at beginning of the period	196,150	204,987
Effect of foreign exchange rate changes	101	638
Cash and cash equivalents at end of the period	155,666	173,817

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

1. General information

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

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

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

The condensed consolidated financial statements were approved for issue on 30 August 2024.

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

2. Basis of preparation

The condensed consolidated financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2023.

As at 30 June 2024, the Group’s current liabilities exceeded its current assets by approximately RMB8,008 million. Considering the Group’s sources of liquidity and the unutilised bank facilities as at 30 June 2024, the directors of the Company (the “Directors”) believe that adequate funding is available to fulfil the Group’s debt obligations and capital expenditure requirements to enable the Group to continue in operational existence for the foreseeable future when preparing these condensed consolidated financial statements for the six-month period ended 30 June 2024. Accordingly, these condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

3. Principal accounting policies

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

Other than application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 June 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

3. Principal accounting policies (Continued)

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

4. Segment information

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

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

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

Revenue between segments is carried out at actual transaction prices.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4. Segment information (Continued)

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

	Six-month period ended 30 June 2024 (Unaudited)						Total RMB million
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	Elimination RMB million	
External revenue	473,047	8,965	12,024	14,481	31,132	-	539,649
Inter-segment revenue	8,966	279	4,443	-	15,358	(29,046)	-
Other revenue	2,318	107	119	362	1,967	-	4,873
Inter-segment other revenue	507	-	-	-	424	(931)	-
Segment revenue	484,838	9,351	16,586	14,843	48,881	(29,977)	544,522
Segment results							
Profit (loss) before tax	17,174	501	898	(1,177)	3,108	(1,419)	19,085
Segment results included:							
Share of post-tax (losses)/profits of joint ventures	(84)	-	26	(2)	(154)	-	(214)
Share of post-tax profits/(losses) of associates	335	(2)	24	(9)	1,315	-	1,663
Interest income	1,176	85	55	101	3,497	(467)	4,447
Interest expenses	(2,396)	(79)	(38)	(893)	(3,767)	1,584	(5,589)
Losses from derecognition of financial assets at amortised cost	(1,609)	(1)	(3)	-	(45)	-	(1,658)

	Six-month period ended 30 June 2023 (Unaudited)						Total RMB million
	Infrastructure construction RMB million	Design and consulting RMB million	Equipment manufacturing RMB million	Property development RMB million	Other businesses RMB million	Elimination RMB million	
External revenue	507,323	9,349	13,312	20,919	34,480	-	585,383
Inter-segment revenue	15,805	199	3,891	-	18,196	(38,091)	-
Other revenue	2,517	74	316	268	2,208	-	5,383
Inter-segment other revenue	1,004	-	-	-	147	(1,151)	-
Segment revenue	526,649	9,622	17,519	21,187	55,031	(39,242)	590,766
Segment results							
Profit (loss) before tax	19,596	761	1,118	(523)	3,772	(2,464)	22,260
Segment results included:							
Share of post-tax (losses)/profits of joint ventures	(568)	(8)	6	24	(92)	-	(638)
Share of post-tax profits/(losses) of associates	425	(2)	12	33	1,719	-	2,187
Interest income	1,192	49	41	101	3,373	(453)	4,303
Interest expenses	(2,073)	(70)	(41)	(783)	(3,311)	832	(5,446)
Losses from derecognition of financial assets at amortised cost	(1,393)	-	-	-	(83)	-	(1,476)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4. Segment information (Continued)

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

	Six-month period ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited)
(i) Segment interest income, before inter-segment elimination	4,914	4,756
Inter-segment elimination	(467)	(453)
Total consolidated finance income, as reported	4,447	4,303
(ii) Segment interest expenses, before inter-segment elimination	7,173	6,278
Inter-segment elimination	(1,584)	(832)
	5,589	5,446
Reconciling item: Imputed interest expenses on retention payables (<i>Note 9</i>)	148	89
Total consolidated finance costs, as reported	5,737	5,535
(iii) Segment results, before inter-segment elimination	20,504	24,724
Inter-segment elimination	(1,419)	(2,464)
	19,085	22,260
Reconciling item: Land appreciation tax ("LAT") (a) (<i>Note 10</i>)	475	712
Total consolidated profit before tax, as reported	19,560	22,972

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4. Segment information (Continued)

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

Segment assets

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Infrastructure construction	1,172,029	1,136,878
Design and consulting	30,158	29,679
Equipment manufacturing	80,485	70,821
Property development	294,881	278,456
Other businesses	733,842	755,813
Inter-segment elimination	(323,887)	(458,330)
Total segment assets	1,987,508	1,813,317

Segment liabilities

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Infrastructure construction	1,009,481	1,010,248
Design and consulting	15,746	15,141
Equipment manufacturing	49,329	41,983
Property development	244,292	222,417
Other businesses	527,642	525,752
Inter-segment elimination	(320,370)	(454,755)
Total segment liabilities	1,526,120	1,360,786

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

- all assets are allocated to operating segments other than deferred tax assets and current income tax recoverable excluding prepaid LAT which is allocated to operating segments; and
- all liabilities are allocated to operating segments other than deferred tax liabilities and current income tax liabilities excluding LAT payable which is allocated to operating segments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4. Segment information (Continued)

Segment liabilities (Continued)

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

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Segment assets, before inter-segment elimination	2,311,395	2,271,647
Inter-segment elimination	(323,887)	(458,330)
	1,987,508	1,813,317
Reconciling items:		
Deferred tax assets	13,904	13,166
Non-tradable shares reform of subsidiaries (a)	(148)	(148)
Current income tax recoverable	5,163	4,611
Prepaid LAT included in current income tax recoverable	(2,003)	(1,656)
	16,916	15,973
Total consolidated assets, as reported	2,004,424	1,829,290
Segment liabilities, before inter-segment elimination	1,846,490	1,815,541
Inter-segment elimination	(320,370)	(454,755)
	1,526,120	1,360,786
Reconciling items:		
Deferred tax liabilities	4,076	3,494
Current income tax liabilities	7,025	9,435
LAT payable included in current income tax liabilities	(4,074)	(4,179)
	7,027	8,750
Total consolidated liabilities, as reported	1,533,147	1,369,536

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4. Segment information (Continued)

Disaggregation of revenue from contracts with customers

Type of services and products	Six-month period ended 30 June 2024 (Unaudited)					
	Infrastructure construction	Design and consulting	Equipment manufacturing	Property development	Other businesses	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Infrastructure construction contracts	473,047	-	-	-	-	473,047
Manufacturing and sales of equipment	-	-	12,024	-	-	12,024
Rendering of services	-	8,965	-	-	3,396	12,361
Sales of properties	-	-	-	14,481	-	14,481
Sales of goods and others	2,318	107	119	362	29,703	32,609
Total revenue	475,365	9,072	12,143	14,843	33,099	544,522
Timing of revenue recognition:						
– At a point of time	2,318	107	7,273	14,013	32,009	55,720
– Over time	473,047	8,965	4,798	830	-	487,640
Revenue from contracts with customers	475,365	9,072	12,071	14,843	32,009	543,360
Rental income	-	-	72	-	1,090	1,162
Total revenue	475,365	9,072	12,143	14,843	33,099	544,522

Type of services and products	Six-month period ended 30 June 2023 (Unaudited)					
	Infrastructure construction	Design and consulting	Equipment manufacturing	Property development	Other businesses	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Infrastructure construction contracts	507,323	-	-	-	-	507,323
Manufacturing and sales of equipment	-	-	13,312	-	-	13,312
Rendering of services	-	9,349	-	-	3,195	12,544
Sales of properties	-	-	-	20,919	-	20,919
Sales of goods and others	2,517	74	316	268	33,493	36,668
Total revenue	509,840	9,423	13,628	21,187	36,688	590,766
Timing of revenue recognition:						
– At a point of time	2,517	74	8,661	20,523	35,636	67,411
– Over time	507,323	9,349	4,813	664	-	522,149
Revenue from contracts with customers	509,840	9,423	13,474	21,187	35,636	589,560
Rental income	-	-	154	-	1,052	1,206
Total revenue	509,840	9,423	13,628	21,187	36,688	590,766

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4. Segment information (Continued)

Disaggregation of revenue from contracts with customers (Continued)

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

	Six-month period ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited)
Mainland China	510,398	558,609
Other regions (including Hong Kong and Macau)	34,124	32,157
	544,522	590,766

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

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Mainland China	624,735	580,789
Other regions (including Hong Kong and Macau)	18,585	19,342
	643,320	600,131

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

5. Other income and expenses

	Six-month period ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited)
Other income from:		
Interest income from other financial assets at amortised cost	494	507
Government subsidies (a)	413	551
Compensation and claims	258	108
Dividends from financial assets at fair value through profit or loss ("FVPL")	95	75
Income from the sale of waste and materials	23	49
Dividends from financial assets at fair value through other comprehensive income ("FVOCI")	37	35
Others	168	200
	1,488	1,525
Other expenses on:		
Penalty cost	109	95
Lawsuit expenditure	54	36
Others	412	253
	575	384

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

6. Net impairment losses on financial assets and contract assets

	Six-month period ended 30 June	
	2024	2023
	RMB million (Unaudited)	RMB million (Unaudited)
Trade and other receivables (excluding advance to suppliers)	900	1,019
Contract assets	520	497
Other financial assets at amortised cost	336	339
	1,756	1,855

7. Other gains and losses, net

	Six-month period ended 30 June	
	2024	2023
	RMB million (Unaudited)	RMB million (Unaudited)
Gains/(losses) on disposal and/or write-off of:		
– Right-of-use assets	–	133
– Property, plant and equipment	(10)	53
Losses arising on change in fair value of financial assets/liabilities at FVPL	(68)	(251)
Foreign exchange gains, net	218	277
Others	42	214
	182	426

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

8. Losses from derecognition of financial assets at amortised cost

	Six-month period ended 30 June	
	2024	2023
	RMB million (Unaudited)	RMB million (Unaudited)
Asset-backed notes ("ABN") and asset-backed securities ("ABS")	1,615	1,417
Factoring expenses	21	30
Bills receivables discounted expenses	22	29
	1,658	1,476

9. Finance income and costs

	Six-month period ended 30 June	
	2024	2023
	RMB million (Unaudited)	RMB million (Unaudited)
Finance income from:		
Trade receivables and contract assets	3,829	3,493
Cash and cash equivalents and restricted cash	618	810
Total finance income	4,447	4,303
Interest expenses on:		
Bank borrowings	7,321	6,595
Long-term debentures	673	635
Other long-term borrowings	151	123
Other short-term borrowings	20	27
Total borrowing costs	8,165	7,380
Less: amount capitalised	(2,608)	(1,976)
	5,557	5,404
Lease interest expenses	32	10
Imputed interest expenses on retention payables	148	89
Others	–	32
Total finance costs	5,737	5,535

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

9. Finance income and costs (Continued)

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. Borrowing costs of RMB2,608 million (six-month period ended 30 June 2023: RMB1,976 million) were capitalised in the six-month period ended 30 June 2024, of which approximately RMB1,744 million was charged to properties under development for sale, approximately RMB314 million was included in cost of construction-in-progress, and approximately RMB550 million was included in cost of intangible assets (six-month period ended 30 June 2023: approximately RMB1,129 million was charged to properties under development for sale, approximately RMB321 million was included in cost of construction-in-progress and approximately RMB526 million was included in cost of intangible assets). A general capitalisation rate of 2.34%-5.28% (six-month period ended 30 June 2023: 2.65%-5.10%) per annum was used, representing the costs of the borrowings used to finance the qualifying assets.

10. Income tax expense

	Six-month period ended 30 June	
	2024	2023
	RMB million (Unaudited)	RMB million (Unaudited)
Current income tax		
– Enterprise income tax (“EIT”)	3,697	4,164
– LAT	475	712
– (Over)/under provision in prior years	(161)	121
Deferred income tax	(120)	(289)
	3,891	4,708

The majority of the entities in the Group are located in Mainland China. Pursuant to the relevant laws and regulations, the statutory EIT rate of 25% (six-month period ended 30 June 2023: 25%) is applied to the Group except for certain subsidiaries which were either exempted from EIT or entitled to the preferential tax rate of 20% or 15% (six-month period ended 30 June 2023: 20% or 15%) during the current interim period.

Certain of the Group’s overseas entities are located in 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 17%, 24%, 24%, 30%, 20%, 32.5%, 30% and 30% (six-month period ended 30 June 2023: 17%, 24%, 24%, 30%, 20%, 32.5%, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

11. Expenses by nature

The additional information of cost of sales and services, selling and marketing expenses, administrative expenses, and research and development expenditures is as follows:

	Six-month period ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Employee benefit expenses & subcontracting costs	237,200	229,795
Raw materials and consumables used	213,742	214,581
Equipment usage costs	21,989	19,636
Cost of property development	12,660	17,785
Cost of production safety	11,004	9,734
Depreciation of property, plant and equipment (Note 14) and investment properties	4,940	4,812
Amortisation of intangible assets (Note 15)	792	715
Depreciation of right-of-use assets	795	576
Amortisation of mining assets	74	106

12. Dividends

The final dividend of RMB0.210 per share in respect of the year ended 31 December 2023, amounting to RMB5,198 million in aggregate, was approved by the Company's shareholders in the Annual General Meeting on 28 June 2024, and subsequently paid off in August 2024.

The final dividend of RMB0.200 per share in respect of the year ended 31 December 2022, amounting to RMB4,950 million in aggregate, was approved by the Company's shareholders in the Annual General Meeting on 28 June 2023, and subsequently paid off in August 2023.

The Directors do not recommend the payment of an interim dividend for the current interim period (six-month period ended 30 June 2023: nil).

13. Earnings per share

(a) Basic

Basic earnings per share for the six-month period ended 30 June 2024 is calculated by dividing the profit attributable to owners of the Company, after deducting the profit attributable to holders of perpetual notes and the impact of 2021 Restricted Share Incentive Scheme (Note 23), of RMB13,097 million (six-month period ended 30 June 2023: RMB14,873 million) by weighted average number of 24,610,688,101 shares (six-month period ended 30 June 2023: 24,570,929,283 shares) in issue during the period.

(b) Diluted

Diluted earnings per share was calculated by dividing the adjusted profit attributable to ordinary equity holders of the Company based on the diluted potential ordinary shares by the weighted average number of shares in issue during the period. For the period ended 30 June 2024, the Company's 2021 Restricted Share Incentive Scheme has no diluted effect on earnings per share, therefore, the diluted earnings per share equals basic earnings per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

14. Property, plant and equipment

	Six-month period ended 30 June 2024 RMB million (Unaudited)
At 30 June 2024	
Opening net book amount	136,392
Additions (a)	9,198
Transfer from investment properties	2
Acquisition of subsidiaries	5
Disposals	(1,663)
Transfer to investment properties	(1,808)
Depreciation	(4,569)
Currency translation differences	(8)
Closing net book amount	137,549

	Six-month period ended 30 June 2023 RMB million (Unaudited)
At 30 June 2023	
Opening net book amount	118,250
Additions (a)	9,243
Transfer from investment properties	113
Acquisition of subsidiaries	62
Disposals	(603)
Transfer to investment properties	(63)
Depreciation	(4,585)
Currency translation differences	97
Closing net book amount	122,514

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

14. Property, plant and equipment (Continued)

- (a) Additions to property, plant and equipment include:

	Six-month period ended 30 June	
	2024	2023
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Construction in process	4,887	5,585
Infrastructure construction equipment	2,969	2,263
Transportation equipment	449	476
Manufacturing equipment	242	187
Testing equipment and instruments	149	185
Buildings	50	113
Other equipment	452	434
	9,198	9,243

- (b) As at 30 June 2024, bank borrowings amounting to RMB1,176 million (31 December 2023: RMB1,497 million) are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB2,972 million (31 December 2023: RMB4,171 million) (Note 27).
- (c) As at 30 June 2024, the Group is in the process of applying for registration of the ownership certificates for certain of its properties with an aggregate book carrying amount of approximately RMB2,032 million (31 December 2023: RMB2,092 million). The Directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

15. Intangible assets

	Six-month period ended 30 June 2024 RMB million (Unaudited)
At 30 June 2024	
Opening net book amount	183,484
Additions (a)	12,206
Acquisition of subsidiaries	4,532
Disposals	(2,185)
Amortisation	(792)
Currency translation differences	(21)
Closing net book amount	197,224

	Six-month period ended 30 June 2023 RMB million (Unaudited)
At 30 June 2023	
Opening net book amount	155,137
Additions (a)	16,058
Disposals	(1,850)
Amortisation	(715)
Currency translation differences	12
Closing net book amount	168,642

(a) Additions to intangible assets include:

	Six-month period ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited)
Service concession arrangements	11,996	15,957
Computer software	78	96
Others	132	5
Total	12,206	16,058

(b) As at 30 June 2024, bank borrowings amounting to RMB70,782 million (31 December 2023: RMB78,950 million) are secured by service concession arrangement assets with carrying amount of approximately RMB125,400 million (31 December 2023: RMB106,796 million) (Note 27).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

16. Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Contract assets		
– Amounts due from contract customers for contract work and retentions	383,892	315,387
– Financial assets under concession arrangements	164,455	154,545
– Primary land development	9,151	11,993
	557,498	481,925
Less: credit loss allowance	(5,718)	(5,200)
Less: amount due after one year included in non-current assets	(265,712)	(242,534)
Amount due within one year included in current assets	286,068	234,191
Contract liabilities		
– Sale of properties	47,197	45,445
– Infrastructure construction and engineering contracts	50,454	44,927
– Amounts due to contract customers for contract work	24,301	27,467
– Sales of manufacturing products	7,398	7,446
– Design and consulting services	5,241	5,672
– Sales of materials	1,783	2,154
– Others	3,149	2,597
Total current contract liabilities	139,523	135,708

As at 30 June 2024, bank borrowings amounting to RMB50,323 million (31 December 2023: RMB59,054 million) are secured by contract assets with carrying amount of approximately RMB69,386 million (31 December 2023: RMB88,039 million) (Note 27).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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17. Financial assets at fair value through other comprehensive income

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Non-current assets		
Unlisted equity investments	19,490	17,969
Listed equity securities		
– Mainland China	7	8
– Hong Kong	377	290
	19,874	18,267
Current asset		
Bills receivables	1,461	1,078

18. Other financial assets at amortised cost

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Debt investments		
– Short-term	6,565	9,700
– Long-term	29,169	30,276
	35,734	39,976
Less: credit loss allowance for debt investments	(5,548)	(5,212)
Total other financial assets at amortised cost	30,186	34,764
Less: amount due within one year included in current assets	(5,457)	(8,487)
Amount due after one year	24,729	26,277

The other financial assets at amortised cost carry fixed-rate interests within a range of 2.50% to 15.00% (31 December 2023: 2.46% to 24.00%) per annum.

As at 30 June 2024, debt investments amounting to RMB5,733 million (31 December 2023: RMB4,863 million) are secured by property, plant and equipment, right of land use, investment properties provided by borrowers and/or guaranteed by a third party.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

19. Financial assets/(liabilities) at fair value through profit or loss

(a) Financial assets at FVPL include the following:

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Non-current assets		
Equity instrument		
Unlisted equity investments	9,475	9,490
Debt instruments		
Unlisted entrusted products	5,726	5,987
Unlisted open-end equity funds	2,699	2,481
Others	907	971
	9,332	9,439
	18,807	18,929
Current assets		
Equity instrument		
Equity securities listed in Mainland China	700	813
Debt instruments		
Money-market securities investment funds	6,984	5,231
Unlisted open-end equity funds	1,165	1,238
Unlisted entrusted products	7	261
Others	1,964	1,337
	10,120	8,067
Derivative financial instrument		
– Option contract	135	135
	10,955	9,015
Total	29,762	27,944

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19. Financial assets/(liabilities) at fair value through profit or loss (Continued)

(b) Financial liabilities at FVPL include the following:

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Current liability		
Unlisted open-end equity funds	289	292

20. Trade and other receivables

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Trade and bills receivables	273,608	193,674
Less: credit loss allowance	(19,385)	(18,859)
Trade and bills receivables – net	254,223	174,815
Other receivables (net of impairment)	106,229	96,548
Advance to suppliers (net of impairment losses)	42,006	45,585
	402,458	316,948
Less: amount due after one year included in non-current assets	(23,328)	(23,198)
Amount due within one year included in current assets	379,130	293,750

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

20. Trade and other receivables (Continued)

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

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	198,917	142,215
1 year to 2 years	35,857	21,833
2 years to 3 years	16,200	9,816
3 years to 4 years	5,488	4,463
4 years to 5 years	2,812	4,969
More than 5 years	14,334	10,378
Total	273,608	193,674

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

- (b) Trade and bills receivables of RMB700 million (31 December 2023: RMB317 million) were pledged to secure borrowings amounting to RMB413 million (31 December 2023: RMB185 million) (Note 27).
- (c) For the six-month period ended 30 June 2024, trade receivables of RMB26,922 million (six-month period ended 30 June 2023: RMB22,757 million) and long-term trade receivables of nil (six-month period ended 30 June 2023: RMB1,080 million) had been transferred in accordance with relevant ABN and ABS issuance, and trade receivables of RMB641 million (six-month period ended 30 June 2023: RMB3,178 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 30 June 2024, bills receivables – bank acceptance and commercial acceptance notes of RMB262 million (31 December 2023: RMB442 million) were endorsed to suppliers and RMB17 million (31 December 2023: RMB7 million) were discounted with banks. In the opinion of the Directors, as the counter party bears higher credit risk, such transactions did not qualify for derecognition. In addition, as at 30 June 2024, bills receivables – bank acceptance notes of RMB261 million (31 December 2023: RMB860 million) were endorsed to suppliers, and RMB936 million (31 December 2023: RMB151 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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20. Trade and other receivables (Continued)

- (e) As at 30 June 2024, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows:

Central-governmental enterprises

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	18,738	11,485
1 year to 2 years	2,054	1,955
2 years to 3 years	779	618
3 years to 4 years	294	286
4 years to 5 years	126	103
More than 5 years	142	123
Total	22,133	14,570

Locally-administrated state-owned enterprises

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	126,708	71,961
1 year to 2 years	9,831	8,814
2 years to 3 years	5,471	4,423
3 years to 4 years	2,562	2,164
4 years to 5 years	990	996
More than 5 years	1,531	1,276
Total	147,093	89,634

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20. Trade and other receivables (Continued)

- (e) As at 30 June 2024, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows: (Continued)

China State Railway Group Co., Ltd.

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	16,562	10,664
1 year to 2 years	1,469	1,539
2 years to 3 years	447	350
3 years to 4 years	146	240
4 years to 5 years	185	193
More than 5 years	347	218
Total	19,156	13,204

Overseas enterprises

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	3,138	2,104
1 year to 2 years	122	26
2 years to 3 years	7	56
3 years to 4 years	12	5
4 years to 5 years	–	–
More than 5 years	109	109
Total	3,388	2,300

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

20. Trade and other receivables (Continued)

- (e) As at 30 June 2024, trade receivables net of credit loss allowance, which were collectively assessed for impairment, are as follows: (Continued)

Other entities

	As at 30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	29,546	24,598
1 year to 2 years	2,711	3,521
2 years to 3 years	2,527	1,674
3 years to 4 years	465	565
4 years to 5 years	388	331
More than 5 years	718	588
Total	36,355	31,277

As at 30 June 2024, the amount of individually impaired trade receivables was RMB15,486 million (31 December 2023: RMB15,325 million) with the provision for credit loss allowance of RMB8,937 million (31 December 2023: RMB9,459 million).

As at 30 June 2024, bills receivables – bank acceptance notes of RMB1,196 million (31 December 2023: RMB928 million) were not impaired. Commercial acceptance notes, which were collectively assessed for impairment, were RMB900 million (31 December 2023: RMB954 million) with the provision for credit loss allowance of RMB2 million (31 December 2023: RMB5 million).

As at 30 June 2024, the amount of collectively impaired long-term trade receivables was RMB16,225 million (31 December 2023: RMB15,549 million) with the provision for credit loss allowance of RMB82 million (31 December 2023: RMB74 million). The amount of individually impaired long-term trade receivables was RMB4,416 million (31 December 2023: RMB3,747 million) with the provision for credit loss allowance of RMB3,104 million (31 December 2023: RMB3,135 million).

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21. Properties under development for sale

As at 30 June 2024, properties under development for sale amounting to RMB10,351 million (31 December 2023: RMB7,697 million) have been pledged to secure borrowings amounting to RMB5,790 million (31 December 2023: RMB4,710 million) (Note 27).

As at 30 June 2024, properties under development for sale amounting to RMB1,623 million (31 December 2023: RMB1,579 million) have been pledged to secure trade and other payables non-current amounting to RMB533 million (31 December 2023: RMB800 million) granted to the Group.

22. Share capital

	Number of shares		Nominal value	
	Six-month period ended 30 June 2024 (thousands)	Year ended 31 December 2023 (thousands)	Six-month period ended 30 June 2024 RMB million (Unaudited)	Year ended 31 December 2023 RMB million (Audited)
A shares of RMB1.00 each				
At beginning of period/year	20,544,806	20,544,806	20,545	20,545
Repurchase and cancellation of the restricted stock	(1,566)	–	(1)	–
At end of period/year	20,543,240	20,544,806	20,544	20,545
H shares of RMB1.00 each				
At beginning and end of period/year	4,207,390	4,207,390	4,207	4,207
	24,750,630	24,752,196	24,751	24,752

As at 30 June 2024, the A Shares (20,543,240 thousands shares) and H Shares (4,207,390 thousands shares) issued are the ordinary shares in the share capital of the Company. All cash dividends in respect of the H Shares are to be declared in RMB and paid by the Company in Hong Kong dollars whereas all cash dividends in respect of A Shares are to be paid by the Company in RMB.

In addition, A Shares and H Shares are regarded as different classes of shares under the Company's Articles of Association. The differences between the two classes of shares, including provisions on class rights, the dispatch of notices and financial reports to shareholders, dispute resolution, registration of shares on different branches of the registers of shareholders, the method of share transfer and appointment of dividend receiving agents are set out in the Company's Articles of Association.

A Shares and H Shares however rank pari passu with each other in all other respects.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

23. Shares held for 2021 restricted share incentive scheme

	Six-month period ended 30 June 2024 RMB million (Unaudited)	Year ended 31 December 2023 RMB million (Audited)
At beginning of period/year:	576	612
Amount recorded in		
– dividends paid during the year	(25)	(36)
– repurchase of restricted shares	(5)	–
– impact of restricted shares unlocking	(176)	–
At end of period/year	370	576

In accordance with the 2021 Restricted Share Incentive Scheme, the Company is responsible to purchase the restricted shares if certain service and performance conditions are not met. Therefore, the Company recognised the shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB606 million with 170,724,400 restricted shares registered for grant on 23 February 2022, and RMB44 million with 11,922,000 restricted shares registered for grant on 30 November 2022.

On 28 October 2022, the Directors approved the repurchase and cancellation of 1,379,700 restricted shares in total which were granted but not yet unlocked, resulting in the reduction of shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB5 million. The repurchase and cancellation were completed on 28 December 2022.

On 29 December 2023, the Directors approved the repurchase and cancellation of 1,566,166 restricted shares in total which were granted but not yet unlocked. On 11 March 2024, the Company implemented the repurchase, resulting in the reduction of shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB5 million.

On 23 February 2024, the 2021 Restricted Share Incentive Scheme participants unlocked 55,910,838 restricted shares, resulting in the reduction of shares held for 2021 Restricted Share Incentive Scheme repurchase obligation of RMB176 million.

On 28 June 2024, pursuant to the resolution of the 2023 annual general meeting of shareholders, the 2021 Restricted Share Incentive Scheme participants received cash dividends, resulting in the reduction of shares held for restricted share incentive scheme repurchase obligation of RMB25 million (six-month period ended 30 June 2023: On 28 June 2023, RMB36 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

23. Shares held for 2021 restricted share incentive scheme (Continued)

The table below discloses movement of restricted shares under 2021 Restricted Share Incentive Scheme during the current interim period:

	Number of Shares thousands (Unaudited)
As at 1 January 2024	181,267
Repurchased and cancelled during the period	(1,566)
Unlocked during the period	(55,911)
As at 30 June 2024	123,790

24. Statutory reserves

The statutory reserves comprise the statutory surplus reserve, trust compensation reserve and general risk reserve.

According to the PRC Company Law and the Company's article of association, the Company is required to make an appropriation at 10 percent of the profit for the year as shown in the PRC statutory financial statements, prepared in accordance with the PRC accounting standards, to the statutory surplus reserve fund until the balance reached 50 percent of the registered capital of the Company. The statutory surplus reserve can only make up losses or use to increase the registered capital of the Company and is not distributable.

According to the relevant laws and regulations for financial institutions and trust management entities in the PRC, certain subsidiaries of the Company are required to set aside certain amounts to trust compensation reserve and general risk reserve to address unidentified potential impairment risks.

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

25. Perpetual notes

	Year ended 31 December 2023 RMB million (Audited)	Additions RMB million	Redemption/ Declaration RMB million	Six-month period ended 30 June 2024 RMB million (Unaudited)
Public medium notes	629	–	–	629
Public renewable corporate bonds (a)	48,752	–	(4,595)	44,157
Dividends (b)	331	–	(331)	–
Total	49,712	–	(4,926)	44,786

- (a) In May and June 2024, the Company redeemed two tranches the public renewable corporate bonds (“Renewable Bonds”) (category one) issued on 2 June 2021 and 17 June 2021, in cash consideration of RMB2.6 billion and RMB2 billion, respectively.
- (b) For the six-month period ended 30 June 2024, as a consequence of the compulsory interest payment event, i.e. the final dividend declared to the shareholders of the Company, the Company declared dividends to perpetual notes holders totaling RMB1,488 million, including the interest of RMB1,157 million which was generated during the period was deducted from retained earnings, and RMB331 million represented the accrued interest in the balance of perpetual notes as at 31 December 2023.

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26. Trade and other payables

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Trade and bills payables (a)	661,228	588,737
Dividend payables	7,345	950
Other taxes	5,392	5,956
Accrued payroll and welfare	5,420	5,580
Deposits (b)	1,948	3,869
Deposits received in advance	1,275	1,205
Advance from customers	1,562	1,179
Other payables	189,837	176,937
	874,007	784,413
Analysed for reporting purposes as:		
Non-current	32,370	33,803
Current	841,637	750,610
	874,007	784,413

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:

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Less than 1 year	613,850	544,622
1 year to 2 years	23,916	23,035
2 years to 3 years	9,873	10,204
More than 3 years	13,589	10,876
	661,228	588,737

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

26. Trade and other payables (Continued)

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

27. Borrowings

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Bank borrowings:		
Secured	131,766	142,981
Unsecured	303,451	221,184
	435,217	364,165
Long-term debentures, unsecured	54,246	48,968
Other borrowings:		
Secured	1,415	1,415
Unsecured	11,597	15,415
	13,012	16,830
	502,475	429,963
Analysed for reporting purposes:		
Non-current	349,012	316,647
Current	153,463	113,316
	502,475	429,963

- (a) Bank borrowings carry interest at rates ranging from 0.50% to 11.26% (31 December 2023: 0.50% to 10.88%) per annum.

Long-term debentures were issued at fixed rates ranging from 2.30% to 4.80% (31 December 2023: 2.58% to 4.80%) per annum.

Other borrowings carry interest at rates ranging from 2.80% to 3.95% (31 December 2023: 3.06% to 4.43%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

27. Borrowings (Continued)

(b) Movements in borrowings is analysed as follows:

	RMB million (Unaudited)
Six-month period ended 30 June 2024	
Opening amount as at 1 January 2024	429,963
Proceeds from borrowings	139,792
Repayments of borrowings and interests	(88,812)
Net foreign exchange loss on borrowings	8
Accrued interest on borrowings	8,165
Acquisition of subsidiaries	13,359
Closing amount as at 30 June 2024	502,475

	RMB million (Unaudited)
Six-month period ended 30 June 2023	
Opening amount as at 1 January 2023	392,242
Proceeds from borrowings	134,417
Repayments of borrowings and interests	(95,088)
Net foreign exchange gains on borrowings	41
Accrued interest on borrowings	7,514
Closing amount as at 30 June 2023	439,126

(c) As at 30 June 2024, the Group has undrawn borrowing facilities of RMB1,968,016 million (31 December 2023: RMB2,013,219 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

27. Borrowings (Continued)

(d) The details of secured borrowings are set out below:

	30 June 2024		As at 31 December 2023	
	Secured borrowings RMB million (Unaudited)	Carrying amount of pledged assets and contract value of certain rights RMB million (Unaudited)	Secured borrowings RMB million (Audited)	Carrying amount of pledged assets and contract value of certain rights RMB million (Audited)
Property, plant and equipment (Note 14)	1,176	2,972	1,497	4,171
Intangible assets (Note 15)	70,782	125,400	78,950	106,796
Properties under development for sale (Note 21)	5,790	10,351	4,710	7,697
Trade and bills receivables (Note 20)	413	700	185	317
Contract assets (Note 16)	50,323	69,386	59,054	88,039
	128,484	208,809	144,396	207,020

Besides, the Group has secured bank borrowings of RMB3,282 million and secured other borrowings of RMB1,415 million, which were secured by the future collection right of the subsidiaries of the Group as at 30 June 2024.

28. Contingencies liabilities

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Pending lawsuits (a)		
– arising in the ordinary course of business	5,437	4,327

(a) The Group has been named 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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

29. Commitments

(a) Capital expenditure

Capital expenditure contracted for but not yet incurred at the balance sheet date is as follows:

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Property, plant and equipment	1,199	892

(b) Investment commitment

According to relevant agreements, the Group has the following commitments:

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Investment commitment to associates, joint ventures and others	34,566	45,187

There is an investment in certain mining projects (including development and construction expenditures) of an associate in the Democratic Republic of the Congo pursuant to co-operation agreements signed between the co-operation partners. Since the signing of relevant co-operation agreements, the co-operation partners have carried out continuous negotiation on the details of the cooperation and gradually promoted the mining development and infrastructure construction. As at 31 December 2023, the amount of investment commitment disclosed above was based on the situation of the mining projects which was subject to change based on the projects progress in the future. In March 2024, a supplemental agreement has been signed by the co-operation partners on the amount of development and construction capital expenditure and time of payment, therefore the obligation under capital expenditure was recognised as liability.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, unlisted open-end equity funds, unlisted entrusted products, and other financial assets at FVPL.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value

Financial assets/ financial liabilities	Fair value as at (RMB million)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2024 (Unaudited)		31 December 2023 (Audited)				
	Assets/Liabilities	Amount	Assets/Liabilities	Amount			
1) Derivative financial instrument	Assets	135	Assets	135	Level 3	Option pricing model	Risk-free interest, Volatility
2) Listed equity securities and money – market securities investment funds at FVPL	Held-for-trading financial assets in Mainland China:		Held-for-trading financial assets in Mainland China:				
	Industry	Amount	Industry	Amount			
	Finance	7,645	Finance	5,996	Level 1	Quoted bid prices in active markets.	N/A
	Manufacturing	34	Manufacturing	44			
	Transportation	2	Transportation	1			
	Others	3	Others	3			
		7,684		6,044			
3) Listed equity securities at FVOCI	Listed equity securities in Mainland China:		Listed equity securities in Mainland China:				
	Industry	Amount	Industry	Amount			
	Finance	–	Finance	–		Quoted bid prices in active markets.	N/A
	Transportation	7	Transportation	8			
		7		8	Level 1		
	Listed equity securities in Hong Kong:		Listed equity securities in Hong Kong:				
	Industry	Amount	Industry	Amount			
	Manufacturing	377	Manufacturing	290			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

Financial assets/ financial liabilities	Fair value as at (RMB million)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)		
	30 June 2024 (Unaudited)		31 December 2023 (Audited)						
4) Unlisted open-end equity funds at FVPL	Unlisted open-end equity funds in Mainland China:								
	Assets	Industry	Amount		Assets	Industry	Amount		
	Finance		1,138	Finance		1,203	Level 1	Quoted bid prices in active markets.	N/A
	Finance		2,726	Finance		2,516	Level 3	Discounted cash flow.	Expected future cash flow,
	Total		3,864	Total		3,719		Future cash flows are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Discount rates that correspond to the expected risk level.
	Liabilities	Industry	Amount		Liabilities	Industry	Amount		
	Finance		20	Finance		23	Level 3	Discounted cash flow.	Expected future cash flow,
								Future cash flows are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Discount rates that correspond to the expected risk level.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

Financial assets/ financial liabilities	Fair value as at (RMB million)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2024 (Unaudited)		31 December 2023 (Audited)				
5) Unlisted entrusted products and other financial assets at FVPL	Unlisted entrusted products in Mainland China:		Unlisted entrusted products in Mainland China:				
	Industry	Amount	Industry	Amount			
	Construction	179	Construction	531	Level 3	Discounted cash flow. Future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, Discount rates that correspond to the expected risk level.
	Real estate	4,132	Real estate	4,652			
	Finance	4,001	Finance	3,088			
	Others	292	Others	285			
Total	8,604	Total	8,556				
6) Unlisted equity investments at FVOCI	Unlisted equity investments in Mainland China:		Unlisted equity investments in Mainland China:				
	Industry	Amount	Industry	Amount			
	Construction	13,425	Construction	12,322	Level 3	Market valuation method by reference to P/B ratio, P/S ratio, P/E ratio, discount rate that reflects the liquidity level; and cost method by reference to the original investment cost.	P/B ratio, P/S ratio, P/E ratio, Discount rates that reflect the liquidity level, Original investment cost
	Finance	1,939	Finance	1,479			
	Manufacturing	184	Manufacturing	140			
	Real estate	29	Real estate	18			
Mining	5	Mining	5				
Others	3,908	Others	4,005				
Total	19,490	Total	17,969				

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

Financial assets/ financial liabilities	Fair value as at (RMB million)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2024		31 December 2023				
	(Unaudited)		(Audited)				
7) Unlisted equity investments at FVPL	Unlisted equity investments in Mainland China:				Level 3	Market valuation method by reference to P/B ratio, discount rate that reflects the liquidity level; and cost method by reference to the original investment cost.	P/B ratio, Discount rates that reflect the liquidity level, Original investment cost
	Industry	Amount	Industry	Amount			
	Finance	9,475	Finance	9,490			
8) Bills receivables at FVOCI	Bills receivables in Mainland China:				Level 3	Discounted cash flow with future cash flows that are estimated based on expected recoverable amounts, discounted at rates that reflect management's best estimation of the expected risk level.	Expected future cash flow, Discount rates that correspond to the expected risk level.
	Industry	Amount	Industry	Amount			
	Construction	1,461	Construction	1,078			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments (Continued)

(a) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (Continued)

There were no transfer between Level 1 and 2 during the current interim period.

Reconciliation of Level 3 fair value measurements:

	Unlisted entrusted products RMB million (Unaudited)	Unlisted open-end funds RMB million (Unaudited)	Unlisted equity investments RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
30 June 2024					
Opening balance at 1 January	6,248	2,493	27,459	3,521	39,721
Acquisitions	205	220	2,210	1,315	3,950
Gains/(Losses) recognised in profit or loss	11	2	–	10	23
(Losses)/gains recognised in other comprehensive income	–	–	(6)	–	(6)
Disposals	(730)	(9)	(698)	(380)	(1,817)
Closing balance at 30 June	5,734	2,706	28,965	4,466	41,871

	Unlisted entrusted products RMB million (Unaudited)	Unlisted open-end funds RMB million (Unaudited)	Unlisted equity investments RMB million (Unaudited)	Others RMB million (Unaudited)	Total RMB million (Unaudited)
30 June 2023					
Opening balance at 1 January	4,631	2,072	21,084	2,459	30,246
Acquisitions	1,753	820	3,084	793	6,450
(Losses)/gains recognised in profit or loss	(141)	17	(39)	(58)	(221)
Losses recognised in other comprehensive income	–	–	(40)	–	(40)
Disposals	(2,249)	(57)	(4)	(408)	(2,718)
Closing balance at 30 June	3,994	2,852	24,085	2,786	33,717

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

30. Fair value measurements of financial instruments (Continued)

(b) Fair value of financial assets and liabilities measured at amortised cost

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial information approximate to their fair values:

	30 June 2024		As at 31 December 2023	
	Carrying amount RMB million (Unaudited)	Fair value RMB million	Carrying amount RMB million (Audited)	Fair value RMB million
Financial asset				
Other financial assets at amortised cost – fixed rate	28,687	29,386	30,363	31,696
Financial liabilities				
Long-term bank borrowings – fixed rate	57,829	59,318	52,718	53,461
Long-term debentures – fixed rate	54,246	53,066	48,968	49,141
Other long-term borrowings – fixed rate	4,109	4,216	5,028	5,057

The fair values hierarchy of the fair value of fixed rate other financial assets at amortised cost, long-term bank borrowing, long-term debentures and other long-term borrowings are included in level 3. The fair values have been determined based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties or the issuer.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

31. Related-party transactions

The Company is controlled by the following entity:

Name	Relationship	Place of incorporation and operation	Ownership interest	
			As at 30 June 2024 %	31 December 2023 %
CREC	Parent and ultimate holding company	PRC	46.96	46.96

The Company is controlled by CREC, the parent company and a state-owned enterprise established in the PRC. CREC is controlled by the PRC government (CREC and its subsidiaries other than the Group are referred to as the "CREC Group"). The Group operates in an economic environment currently predominated by entities controlled, jointly controlled or under significant influence by the PRC government ("government-related entities").

During the period, the Group had transactions with government-related entities including, but not limited to, the provision of infrastructure construction services, survey, design and consulting services and sales of goods. The Directors consider that the transactions with these government-related entities are activities in the ordinary course of the Group's business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and these government-related entities are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for services and products, and such pricing policies do not depend on whether or not the customers are government-related entities. For the purpose of the related party transaction disclosures, management believes that meaningful information relating to related party transactions has been adequately disclosed.

The following is a summary of significant related party transactions between the Group and its related parties during the period and balances arising from related party transactions at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

31. Related-party transactions (Continued)

(a) **Significant related party transactions**

The following transactions were carried out with related parties other than government-related entities:

	Six-month period ended 30 June	
	2024 RMB million (Unaudited)	2023 RMB million (Unaudited)
Transactions with the CREC Group		
– Rental expense	14	3
– Interest income	–	12
– Interest expense	4	11
– Repayment of borrowings	–	1,112
– Service expenses	31	25
Transactions with joint ventures		
– Revenue from construction contracts	4,072	6,170
– Revenue from sales of goods	192	138
– Rental income	2	2
– Rental expense	45	26
– Other income	131	166
– Interest expense	–	3
– Lending funds	–	2,838
– Repayment of lending funds	924	3,726
– Purchases	649	22
Transactions with associates		
– Revenue from construction contracts	11,357	8,924
– Revenue from sales of goods	685	1,045
– Rental expense	–	1
– Other income	80	54
– Interest expense	3	1
– Lending funds	–	362
– Repayment of lending funds	74	711
– Purchases	7,871	8,008

These transactions are carried out on terms agreed with the counter parties in the ordinary course of business.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

31. Related-party transactions (Continued)

(b) Key management compensation

The remuneration of Directors and other members of key management during the year were as follows:

	Six-month period ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Basic salaries, housing allowances and other allowances	2,830	2,442
Fees	110	110
Contributions to pension plans	388	400
Share-based payment	512	890
Others	1,359	1,800
	5,199	5,642

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

31. Related-party transactions (Continued)

(c) Balances with related parties

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Balances with the CREC Group		
Trade and bills receivables	–	1
Trade payables	–	7
Other payables	226	240
Deposits	389	649
Lease liabilities	5	1
Balances with the joint ventures		
Trade and bills receivables	1,551	1,773
Other receivables	1,052	1,248
Other financial assets at amortised cost	4,095	6,210
Advance to suppliers	239	125
Trade payables	881	772
Other payables	40	492
Advance from customers	29	4
Deposits	297	1,147
Contract liabilities	701	258
Balances with associates		
Trade and bills receivables	8,116	5,934
Other receivables	956	433
Other financial assets at amortised cost	2,984	2,422
Advance to suppliers	53	39
Trade payables	5,943	4,910
Other payables	315	358
Advance from customers	–	2
Deposits	7	133
Contract liabilities	736	493

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

31. Related-party transactions (Continued)

(d) Guarantees

	As at	
	30 June 2024 RMB million (Unaudited)	31 December 2023 RMB million (Audited)
Outstanding loan guarantees provided by the Group to		
– Joint ventures	5,634	5,417
– Associates	844	852
– Government-related entities	–	397
Outstanding debentures guarantees provided by CREC to the Group	3,500	3,500

32. Events after the reporting period

Subsequent to 30 June 2024, the following significant event took place:

- (a) On 11 July 2024, the Company issued the first tranche of Science and Technology Innovation Renewable Corporate Bonds (Tranche One Renewable Bonds), with an aggregate principal amount of RMB2.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Tranche One Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.29% per annum (category one) and 2.54% per annum (category two).
- (b) On 24 July 2024, the Company issued the second tranche of Science and Technology Innovation Renewable Corporate Bonds (Tranche Two Renewable Bonds), with an aggregate principal amount of RMB3.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Tranche Two Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.26% per annum (category one) and 2.47% per annum (category two).
- (c) On 15 August 2024, the Company issued the third tranche of Science and Technology Innovation Renewable Corporate Bonds (Tranche Three Renewable Bonds), with an aggregate principal amount of RMB3.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Tranche Three Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.23% per annum (category one) and 2.43% per annum (category two).
- (d) On 26 August 2024, the Company issued the fourth tranche of Science and Technology Innovation Renewable Corporate Bonds (Tranche Four Renewable Bonds), with an aggregate principal amount of RMB2.0 billion, which can be redeemed in 2029 (category one), 2034 (category two) and beyond. Pursuant to the terms and conditions of Tranche Four Renewable Bonds, these Renewable Bonds bear the initial interest rate of 2.26% per annum (category one) and 2.49% per annum (category two).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

32. Events after the reporting period (Continued)

- (e) On 30 August 2024, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Incentive Scheme was considered and approved at the 28th meeting of the fifth session of the Supervisory Committee and the 2nd meeting of the sixth session of the Board of Directors of the Company, respectively. In accordance with the 2021 Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase and cancel certain restricted shares under the 2021 Incentive Scheme. The total number of restricted shares intended to be repurchased by the Company is 7,384,576.

- (f) On 30 August 2024, the Proposal on the Fulfillment of the Unlocking Conditions for the First Unlocking Period under the Reserved Grant of the Restricted Shares under the 2021 Incentive Scheme was considered and approved at the 28th meeting of the fifth session of the Supervisory Committee and the 2nd meeting of the sixth session of the Board of Directors of the Company, respectively. There are 50 participants under the reserved grant eligible for unlocking, including 49 participants on a 100% basis and 1 participant on a 80% basis, and the number of restricted shares which are involved in the unlocking is 3,958,098.

永遠的開路先鋒



中國中鐵
CHINA RAILWAY

Block A, China Railway Square, No.69, Fuxing Road,
Haidian District, Beijing, China
Postal Code: 100039

<http://www.crec.cn>

