Guangshen Railway Company Limited
2025 Sustainability Report

March 30, 2026

Contents

I. About This Report 3
II. Sustainability Management Framework 4
III. Issue Materiality Analysis 6
IV. Standardized Operation and Integrity Management 8
V. Safety Guarantee & Passenger and Freight Transport 14
VI. Environmental Protection and Technological Innovation 26
VII. Employee Rights & Benefits and Social Welfare 36
Appendix 44

I. About This Report

01 Company profile

Guangshen Railway Company Limited (GSRC or the Company) was registered and established in Shenzhen, China, on March 6, 1996, in accordance with the *Company Law of the People's Republic of China*. In May 1996, H-shares (stock code: 00525) and American depositary shares issued by GSRC were listed on the Stock Exchange of Hong Kong Ltd. (SEHK) and the New York Stock Exchange, respectively. In December 2006, the A-shares (stock code: 601333) issued by GSRC were listed on the Shanghai Stock Exchange (SSE). In January 2007, GSRC purchased the Guangzhou-Pingshi section (southern section of Beijing-Guangzhou Railway) with the funds raised from the issuance of A-shares, helping it upgrade from a regional railway operator to a national backbone railway service provider and significantly improve its passenger and freight transport capability. From November 2020 to January 2023, the Company completed the delisting of its American depositary shares from the New York Stock Exchange, ceased over-the-counter trading, and revoked its registration. Currently, the Company is the only railway transportation enterprise listed on both the Shanghai and Hong Kong stock exchanges in China.

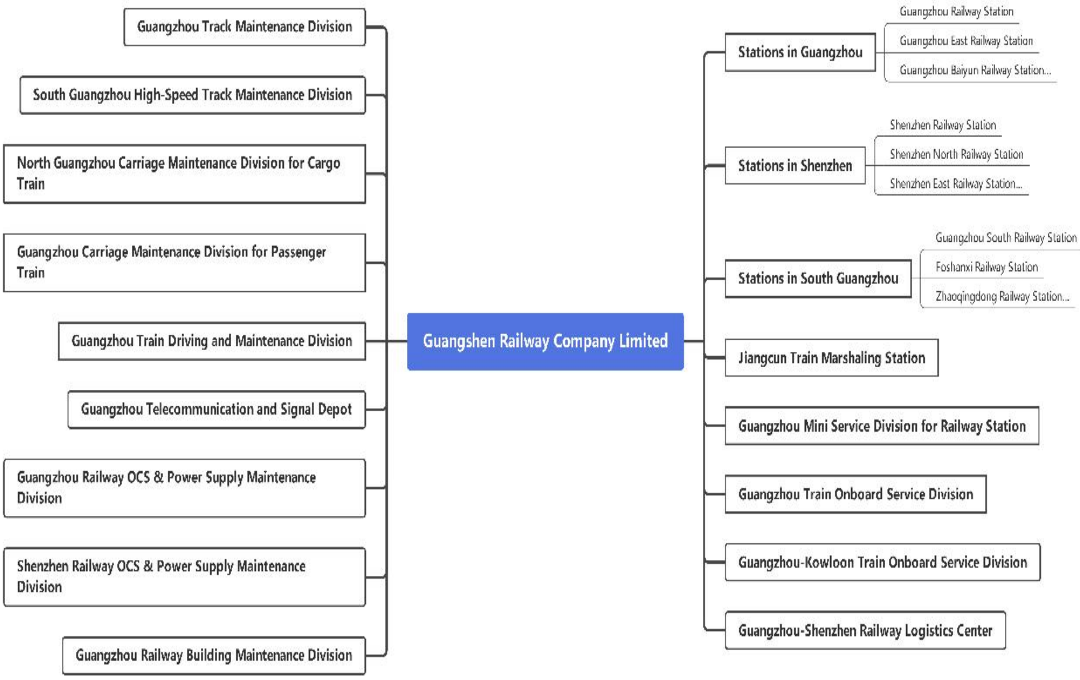
The Shenzhen–Guangzhou–Pingshi railway operated by GSRC has an operating mileage of 481.2 kilometers and runs longitudinally through the entire Guangdong Province. Among them, the Guangzhou–Pingshi section is the southern section of China's major north-south railway artery, the Beijing–Guangzhou Railway. Additionally, the Guangzhou–Shenzhen section is one of the main railway corridors connecting the Chinese mainland to Hong Kong and an important part of China's railway transportation network.

GSRC mainly provides transport services along the Shenzhen-Guangzhou-Pingshi section, and cooperates with the MTR Corporation Limited in offering passenger services of through trains to Hong Kong. The Company also provides entrusted railway transport services for railways, such as Wuhan-Guangzhou High-speed Railway, Guangzhou-Zhuhai Intercity High Speed Railway, Guangzhou-Shenzhen-Hong Kong High-Speed Railway, Guangzhou-Zhuhai Railway, Xiamen-Shenzhen Railway, Guangdong Railway, Nanning-Guangzhou Railway, Guiyang-Guangzhou High-speed Railway, Maoming-Zhanjiang Railway, Shenzhen-Maoming Railway, Meizhou-Shantou High-Speed Railway, Guangzhou Northeast Freight Bypass Railway, Ganzhou-Shenzhen High-speed Railway, Nansha Port Railway, Maoming Bohe Port Railway, Guangzhou-Shanwei High-speed Railway, Meizhou-Longchuan High-Speed Railway, and Guangzhou-Zhanjiang High-speed Railway.

02 Purpose and scope of report

GSRC is a listed company with passenger and freight transport as its core business. The Company is committed to integrating business management with social responsibility, fully incorporating the philosophy of sustainable development into strategic planning and daily operations. By actively fulfilling social responsibility, the Company has continuously improved its governance system, worked to enhance management effectiveness, and systematically strengthened its governance standards, innovation capabilities, risk resilience, core competitiveness, and value creation capabilities, thereby promoting its high-quality development. This sustainability report (this Report) is intended to provide the public with an overview of the Company's practices and performance in fulfilling its corporate social responsibilities in 2025. It also aims to strengthen communication with stakeholders and jointly promote the sustainable development of the Company in harmony with society, the economy, and the environment.

Unless otherwise specified, the data and information in this Report are obtained from GSRC and its subordinate stations and depots. Unless otherwise specified, this Report mainly describes the economic, environmental, social and other activities of GSRC during the period from January 1, 2025 to December 31, 2025, and also gives a brief review of relevant past activities. Unless otherwise specified, the financial data in this Report are expressed in RMB.



03 Basis and reporting cycle

The content of this Report is determined on matters of disclosure in accordance with the requirements of the *Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* released by the SSE and the Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, *Environmental, Social and Governance Reporting Code*.

This Report aims to provide a comprehensive overview of the Company's sustainability practices and performance. The content and format of the disclosures set out herein have been determined in accordance with the applicable disclosure requirements, and the Company publishes a sustainability report annually.

04 Reporting principles and data sources

This Report follows the principles of materiality, quantification, and consistency and sets out the Company's major practices and performance in relation to environmental, social and governance matters (ESG matters) for 2025.

The Company comprehensively collects ESG-related data and information through monthly work reports, quarterly analyses, and annual surveys. Relevant data and information are collected mainly through GSRC's intranet, realizing the "paperless data collection".

In case of discrepancies between the Chinese and English versions, the Chinese version shall prevail.

II. Sustainability Management Framework

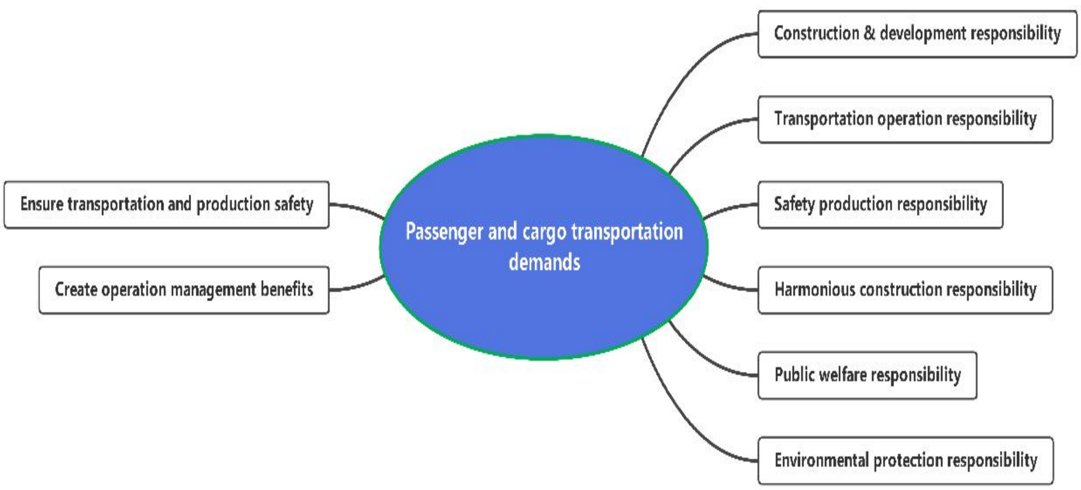
05 Sustainability management framework

The Company continuously improves its sustainability management framework in its operations and management, and has established a three-tier management structure comprising the Board of Directors, management, functional departments, and subordinate stations and depots. The Company improves company governance, transportation production, operational management, safety responsibility and other regulations and systems, as well as carrying out special inspections, centralized rectification, assessment, and supervision. The Board of Directors of GSRC is the top regulator of ESG matters and reviews material ESG-related matters of the Company. GSRC's management is responsible for leading the functional departments, such as operation, transport, general affairs, planning and finance, and human resources, to carry out various work related to sustainability, and the Secretariat of the Board of Directors is responsible for the summary and disclosure of the Company's sustainability report information. Each station and depot subordinate to GSRC shall set up full-time departments and posts for labor safety, technical management, salary and welfare, staff training, health and hygiene, environmental protection and energy saving, etc. to fulfill corporate social responsibilities.

Relying on institutions and personnel at all levels within its sustainability management framework, the Company has integrated relevant information and data through multiple channels, including office systems, regular inspections, special surveys, and work meetings, to effectively conduct due diligence, promptly identify and address negative impacts and risks related to sustainability, and gradually establish a compliance risk database covering key business areas and processes.

06 Corporate social responsibility outlook management

When it comes to fulfilling social responsibilities, GSRC focuses on satisfying passenger and freight transport demands and takes action on the premise of guaranteeing transport and production safety and creating operation management benefits. To be specific, GSRC assumes six major social responsibilities, including construction and development, transport operation, safety production, harmonious construction, public welfare, and environmental protection. These responsibilities are correlated and interlinked to jointly serve the core target of satisfying passenger and freight transport demands.



III. Issue Materiality Analysis

07 Issue materiality analysis framework

The objective of the issue materiality analysis framework in this Report is to identify and assess key ESG matter issues, ensuring that the content aligns with the Company's strategy, stakeholder expectations, and sustainability goals. This framework includes two analytical dimensions—financial materiality analysis and impact materiality analysis—along with corresponding evaluation methods.

Analysis dimension	Financial materiality analysis	Impact materiality analysis
Evaluation criteria	●Potential impact on the Company's financial performance: Identifies whether each issue has a significant effect on the Company's business model, operations, development strategy, financial condition, operating results, cashflow, financing methods, and costs. ●Impact on the Company's long-term value creation: Evaluates the issue's influence on key value drivers, including brand reputation, customer relationships, employee morale, and innovation capacity. ●Time span of financial impact: Evaluates the short-term (within one year and one to three years), mid-term (three to five years), and long-term (over five years) financial impact of the issue.	●Degree of impact on stakeholders: Assesses the impact of issues on stakeholders such as shareholders, employees, customers, suppliers, communities, and the environment. ●Contribution to sustainable development: Assesses whether the Company's performance on the given issue significantly affects economic, social, and environmental sustainability. ●Breadth and depth of impact: Evaluates the number of affected stakeholders, geographical scope, and duration of the impact.
Analytical methods	●Quantitative analysis: Utilizes financial and industry data to quantify the potential impact of issues on the Company's financial performance. ●Qualitative analysis: Assesses the impact of issues on the Company's long-term value creation through expert interviews and case studies.	●Stakeholder research: Collects data through surveys and field research to understand stakeholder concerns and expectations regarding social responsibility issues. ●Expert evaluation: Industry experts and management assess and rank the significance of issues. ●Case studies: Draws on best practices from peer companies or other leading industries to assess the influence and importance of issues.

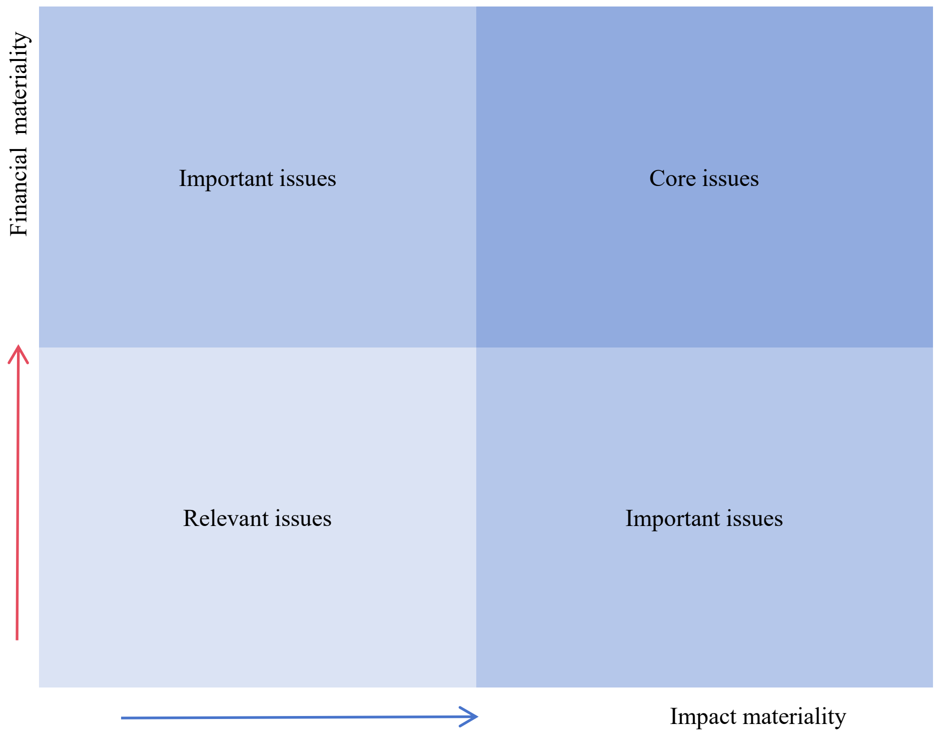
08 Issue materiality matrix

Based on the issue materiality analysis framework, a comprehensive assessment was conducted across the two dimensions of financial materiality and impact materiality. The resulting issue materiality matrix is structured as follows:

Core issues: High financial materiality and high impact materiality.

Important issues: Issues that have either financial materiality or impact materiality.

Relevant issues: Issues that, upon identification, are deemed to have neither financial materiality nor impact materiality for the Company under the disclosure rules requirements.



Issue type	Specific issues	Dimension	Materiality analysis
Core issues	●Response to climate change	Environmental	With financial materiality With impact materiality
	●Energy utilization		
	●Innovation as driver	Social	
	●Supply chain security		
	●Product and service safety and quality		
	●Employees		
	●Business ethics (anti-commercial bribe and anti-corruption)	Sustainable governance	
Important issues	●Pollutant emissions	Environmental	With impact materiality Without financial materiality
	●Waste management		
	●Environmental compliance management		
	●Water resource utilization		
	●Circular economy		
	●Social contribution	Social	
	●Rural revitalization		
	●Data security and customer privacy protection		
	●Stakeholder communication	Sustainable governance	
Relevant issues	●Ecosystem and biodiversity protection	Environmental	Without financial materiality Without impact materiality
	●Technology ethics	Social	
	●Equal treatment of SMEs		
	●Due diligence	Sustainable governance	
	●Anti-unfair competition		

The issue materiality analysis is based on the Company's current business operations as well as external economic, social, and environmental conditions. The importance of specific issues may rise or decline in the future, leading to potential changes in issue categorization. For issues with financial materiality, the Company adheres to the sustainability reporting disclosure requirements of the SSE, conducting analysis and disclosures in accordance with key content areas such as governance, strategy, impact, risk and opportunity management, and indicators and targets, as well as specific disclosure requirements for relevant issues.

IV. Standardized Operation and Integrity Management

09 Corporate governance and internal control

In 2025, the Company convened a total of two shareholders' meetings, six meetings of the Board of Directors, six meetings of the Audit Committee, two meetings of the Remuneration Committee, two meetings of the Nomination Committee and 15 general manager office meetings. During the reporting period, the Company implemented the relevant requirements of the *Company Law* and the reform of the board of supervisors of listed companies, revised the *Articles of Association* and abolished the Board of Supervisors, elected two additional non-executive directors and elected one employee representative director. The number of members of the Audit Committee increased from three to five. Amendments were made to important governance systems, including the *Rules of Procedure of the Shareholders' Meetings, Rules of Procedure of the Board Meetings*, *Working Rules of the Audit Committee*, and *Work Rules of General Manager*. The Company also formulated the *Measures for Market Value Management*, effectively advancing the development of the Company's modern corporate system, further improving its corporate governance framework, and enhancing the standard of compliant operations.

Improving internal control is an important safeguard for the Company's sustained and sound development and for meeting regulatory requirements. The Company has established a relatively comprehensive internal control evaluation system, conducted internal control process testing in a timely and comprehensive manner, and kept abreast of the dynamics of its internal control. It focuses on reviewing key business processes, including major economic business matters, asset management, fund management, accounting, performance of economic contracts, and procurement. Additionally, the Company has prepared and disclosed its annual internal control evaluation report in a timely manner, thereby promoting standardized management at all levels of the Company.

10 Party building work

The Company's Party Committee and grassroots Party organizations at all levels thoroughly studied and implemented the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and the successive plenary sessions of the 20th CPC Central Committee. They strengthened political accountability, conscientiously implemented the Party's overall leadership, promoted the close integration of Party building with business operations, carried out study and education on implementing the guiding principles of the Eight-Point Decision of the CPC Central Committee, consolidated and deepened the results of Party discipline education, advanced regular and long-term work-style improvement, and made concrete efforts to reduce burdens at the grassroots level. Through high-quality Party building, the Company provided leadership and support for high-quality development and promoted continued improvement in both Party conduct and corporate culture.

In 2025, the Company's Party Committee formulated the *Measures for the Management of Integrity Risk Prevention and Control*, and revised the *Implementation Rules for the Company's Decision-Making on "Three Major and One Great"* [1] *Matters*. A total of 19 Party Committee meetings were held throughout the year to earnestly implement the "first issue" system. 72 issues were studied in advance, and 80 issues were approved through decision-making.

By the end of the reporting period, GSRC and all its stations and depots (centers) have established 18

[1] Decision-making actions related to major matters, important personnel appointments and removals, arrangements for major projects, and the use of large amounts of funds

Party committees, 86 general Party branches and 744 Party branches, with 9,494 Party members.

11 Stakeholder communication

Stakeholder communication is an important issue for sustainable development, with impact materiality but without financial materiality. In terms of impact materiality, this issue involves a wide range of stakeholders. Stakeholder communication is an important part of the Company's day-to-day operations and management, exerting sustained and significant impacts on the economy, society, and the environment, and is characterized by diverse communication content, a broad scope of influence, and a long time span. The Company believes that effective stakeholder communication helps obtain stakeholders' understanding, support, and assistance, and plays a positive role in improving the efficiency of operations and management and creating long-term value. In terms of financial materiality, the Company assessed that establishing and maintaining stakeholder communication channels consumes relatively few financial resources, involves limited short-term costs, and does not constitute a material impact on financial performance in the medium to long term.

The key communication topics, channels, methods, and frequency of the Company's communication with various stakeholders are as follows:

Stakeholder	Key communication topics	Main communication channels and methods	Frequency
Shareholders/institutional and individual investors	●Business performance ●Material matters to be disclosed ●Dividend policy ●Corporate governance information	●Notices, meeting materials, circulars, and resolution announcements for annual shareholders' meetings and extraordinary shareholders' meetings	At least once a year.
		●The Company's periodic reports, including the annual report, first-quarter report, semi-annual report, and third-quarter report	Four times a year
		●Ad hoc announcements on material matters	As required
		●Announcement on the implementation of the annual distribution	Once a year
		●Annual, semi-annual, and third-quarter results briefings	Three times per year
		●The Company's investor relations channels, including the website, telephone, email, and SSE E-interactive, among others	As needed
		●Investor visits	As needed
Securities regulatory bodies/stock exchanges	●Corporate information disclosure ●Reporting of major events ●Regulatory policy consultations ●Compliance operations	●Periodic reports and ad hoc announcements	As required
		●Filing of relevant information for listed companies	As needed
		●Annual disclosure performance evaluation	Once a year
		●Questionnaires and data collection forms	As needed
		●Telephone, email	As needed
Government	●Implementation of policies and regulations ●Progress of major project construction ●Work safety conditions ●Fulfillment of social responsibilities ●Industry development	●Work reports	Annually
		●Data submissions	Monthly
		●Thematic meetings	As needed
		●Research and discussion sessions	Case-by-case basis
		●Official correspondence	As needed

Stakeholder	Key communication topics	Main communication channels and methods	Frequency
	recommendations		
Suppliers/partners	●Procurement needs information ●Procurement management policies ●Contract performance status ●Supplier evaluation	●Company website, designated tender procurement platforms	As required
		●Procurement work meetings	As required
		●Routine contract inspections	At least once a year.
		●Qualification review and follow-up visits	As needed
Passengers/shippers/public media	●Railway passenger transport information ●Railway freight transport information ●Service quality feedback	●Media interviews and reports	As needed
		●The 12306 and 95306 railway websites and hotlines	As required
		●Service counters, service posts, and notice boards at stations and on trains	As required
Employees	●Corporate development strategy ●Production and business operations ●Compensation and benefits policies ●Career development pathways ●Employee opinions and suggestions	●Employee representative meetings	At least once a year.
		●The Company's internal office network	As required
		●Regular work meetings	Monthly, weekly
		●Training and learning	As required
		●On-site research visits	As required
		●Internal opinion and suggestion collection	As required
Community	●Railway safety knowledge ●Environmental protection measures ●Community co-development activities ●Public welfare project information	●Railway safety awareness campaigns	As needed
		●Volunteer public welfare activities	As needed
		●Environmental improvement along railway lines	Case-by-case basis

12 Business ethics (anti-commercial bribe and anti-corruption)

Business ethics (anti-commercial bribe and anti-corruption) is a core issue with financial materiality and impact materiality. At the financial level, serious corrupt practices may significantly affect the Company's cash flow, financing channels, and cost of capital, and cause substantial losses or schedule delays in business operations. Adhering to the code of business ethics and strictly implementing anti-commercial bribe and anti-corruption measures can effectively reduce legal risks and non-compliance costs, enhance compliance management and operational efficiency, thereby creating long-term value for the enterprise. The Company has incorporated anti-corruption and integrity promotion, together with financial risk prevention and control, into its short-, medium- and long-term priorities, and continues to strengthen the relevant working mechanisms. From an impact perspective, this issue concerns a wide range of stakeholders, including shareholders, government authorities, regulatory authorities, suppliers and employees, and plays an important role in enhancing corporate governance, regulating business conduct and promoting the Company's high-quality development. Strengthening business ethics not only helps improve the Company's operational efficiency and economic performance, but also has broad and far-reaching positive effects on the economic and social development of the regions in which it operates.

Governance

The Company has established an anti-corruption governance system with clear powers and responsibilities, efficient coordination, implementation at all levels, and stringent accountability. The Company's Party Committee exercises overall leadership over Party conduct, clean governance and anti-corruption work, implements scientific decision-making for "Three Major and One Great" matters, and puts in place prior study procedures for major matters. The Board of Directors and its specialized committees review and oversee internal controls, compliance review, conflicts of interest and the conduct of senior management in the performance of their duties. The Party committees of the Company's stations and depots perform the principal responsibility and strengthen routine supervision and management. The discipline inspection commissions of the Company and its stations and depots serve as dedicated intra-Party supervisory bodies, assisting Party committees in the discharge of their oversight duties and deepening supervision and discipline enforcement in relation to anti-commercial bribe and anti-corruption. Focusing on regulating business conduct and strictly performing duties and exercising authority, the Company has formulated and revised relevant rules and measures to establish a long-term governance mechanism.

Strategy

The Company has thoroughly implemented the core strategy of building a modern railway operation and management system and governance system. In its business performance assessment, it incorporates Party conduct and clean governance, risk prevention and control, and related matters into the assessment indicators, and applies a "one-vote veto" approach to any conduct that causes major losses of funds or assets as a result of violations of financial laws and regulations. Senior management and key personnel are required to sign an annual declaration, while managerial and technical staff undergo annual performance assessments to regulate the business conduct of all employees. In response to illegal and disciplinary violations, the Company has established dedicated reporting channels, implemented a whistle blower protection system,and clearly defined acts of commercial bribery and corruption. In addition, the Company has made anti-commercial bribe clauses mandatory in its contract templates and, in accordance with the *Implementing Rules for Fund Management*, the *Administrative Measures for Fund Allocation*, and the *Administrative Measures for Comprehensive Budget*, has established oversight and review mechanisms and accountability policies for fund and budget management, thereby further strengthening the internal audit oversight function.

Impact, risk, and opportunity management

The Company identifies compliance risk points in areas such as investment and financing, fund transactions, and infrastructure construction and strengthens compliance risk management. The Company believes that strong business ethics and rigorous anti-commercial bribe and anti-corruption practices contribute to long-term value creation, enhancing corporate credibility, strengthening financing advantages, and optimizing the supply chain.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Investment and financing risks	●Non-standard investment decision-making justification	●May cause damage to corporate interests or economic losses ●May result in legal disputes ●May cause adverse social impacts ●May pose integrity risks	Short-term	General risk	Strengthen compliance training for responsible personnel; implement mechanisms for feasibility analysis, legal review, and consultation with professional institutions.
	●Failure to effectively control financing costs		Short to medium term	Higher risk	Strengthen compliance training for responsible personnel; strictly implement competitive quotation and inquiry mechanisms for financing and standardize the process for selecting financing institutions.
	●Failure to strictly control the scale of debt		Short to medium term	Higher risk	Implement financing budget approvals and establish a debt risk early warning mechanism.
	●Non-compliant handling of financing matters		Short to medium term	Higher risk	Strictly implement the internal control system for fund management, and

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
					establish a supervision mechanism for fund security.
	●Failure to dispose of assets in accordance with regulations		Short-term	Higher risk	Strengthen compliance training for responsible personnel, and standardize the management of relevant contracts and professional appraisal institutions.
Risk of fund receipts and payments	●Non-standard transport revenue management	●May create fund-related risks ●May cause economic losses to the enterprise ●Involve integrity risks ●May violate laws and regulations and give rise to criminal liability ●May affect the enterprise's reputation	Short-term	General risk	Strengthen business training for responsible personnel, improve document and receipt management, and promptly reconcile receipts and payments.
	●Misappropriation of funds to establish "off-book accounts"		Short to medium term	Higher risk	Strengthen communication and education, establish supervision, inspection and whistleblowing mechanisms for "off-book accounts", promptly confirm income, and prevent funds from being retained or misappropriated.
	●Failure to process fund payments in accordance with regulations, or overspending, or making payments without a budget.		Short to medium term	Higher risk	Establish and improve the fund approval system, strictly approve large-sum funds according to delegated authority, and rigorously formulate and implement fund budget plans.
	●Non-standard creditor's rights and debt management.		Short-term	General risk	Strictly manage contracts and strengthen supervision and inspection
Engineering and construction risk	●Non-standard tendering and procurement for projects	●May result in contract performance risks ●May result in overpayment of construction funds ●May affect project delivery and give rise to safety risks ●May lead to administrative penalties and civil liability for compensation	Short-term	General risk	Strengthen training for personnel responsible for bidding and procurement; enhance inspection, supervision, and accountability; strictly manage contracts and information on dishonest units.
	●Non-standard work verification, pricing, and completion acceptance		Short to medium term	Higher risk	Strictly implement relevant approval systems, standardize the organization of completion acceptance, and increase accountability efforts.
	●Project quality and workplace safety risks		Short to long term	Higher risk	Establish a project quality management system and strengthen supervision and inspection of construction quality; strengthen the implementation and assessment of the work safety responsibility system.
Transition risks					
Regulatory and policy transition risk	●Anti-corruption, compliance management, disciplinary supervision, and tendering and bidding oversight are becoming	●May lead to increased compliance costs, accountability investigations, failure to meet assessment requirements, and greater rectification pressure	Medium to long term	General risk	Improve the compliance policy system and implement the decision-making policy for "Three Major and One Great" matters; carry out regular self-inspection, self-correction, and special supervision.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
	increasingly stringent, while business management may not adapt to new regulatory requirements.				
Market-oriented operation transition risk	● As market-oriented railway reform deepens and diversified operations, joint ventures, cooperation, and entrusted operations increase, the risks of rent-seeking and conflicts of interest may rise	● May involve improper benefit transfers, potentially resulting in the loss of state-owned assets, damage to operating performance, and decision-making errors	Medium to long term	Higher risk	Strengthen the review and supervision of conflicts of interest; conduct due diligence on partners; ensure collective decision-making on major matters with discipline inspection oversight throughout the process.

Opportunity	Description and impact	Timeframe
Supply chain cost optimization and enhanced transparency	Strengthened anti-corruption governance can help break potential chains of improper benefit transfer in materials procurement and project tendering, thereby reducing potential costs. Continued efforts to strengthen business ethics can help ensure that procurement and project costs remain aligned with market levels, save funds for technology upgrades and service enhancement, improve the Company's operational transparency, and strengthen its competitiveness.	Medium to long term
Reduction in financing costs	Incorporating anti-commercial bribe and anti-corruption into corporate culture development and corporate governance practices can help build a strong market image and enhance reputation. If the Company achieves sound business ethics practices, it will help secure support from regulatory authorities, banks, and the market, broaden financing channels, and reduce financing costs.	Short to medium term
Talent team development driven by a culture of integrity	Embedding a firm anti-corruption stance into the organization's core culture and business management objectives can help attract and retain high-quality management and technical talent who identify with the values of integrity and fairness. This can help reduce fraud risks in key positions, lower internal management friction, and enhance team stability and innovation capability.	Medium to long term

Indicators and targets

The Company carried out inspection and supervision, discipline enforcement and accountability, and integrity education, and organized activities such as study and education sessions, legal awareness campaigns, and thematic training. A total of 16 directors and senior management members participated in training sessions, while 19,000 employees received training on professional ethics and anti-corruption. In 2025, there were no corruption-related lawsuits filed and concluded against the Company or its employees.

13 Equal treatment of SMEs

The Company adheres to the market principles of fairness, impartiality, and equal transactions. During the reporting period, the Company's transactions with small and medium enterprises (SMEs) were relatively limited, with small transaction amounts per contract. Contract signing and execution were well-regulated, and overdue payment risks were controllable. Cooperation with SMEs is not a core business segment of GSRC, and related transactions do not have a significant impact on the Company's financial performance in either the short or medium to long term. The Company strictly implements the requirements of the *Regulation on Ensuring Payments to Small and Medium-sized*

Enterprises to protect the legitimate rights of SMEs and optimize the business environment. These transactions have a limited impact on the Company's business continuity and social influence. The Company has not faced litigation, regulatory penalties, or major public opinion incidents due to cooperation with SMEs. The practice of equal treatment of SMEs has not had a significant impact on the Company's day-to-day operations, corporate reputation, or stakeholders' rights and interests.

14 Anti-unfair competition

Based on the Company's analysis and assessment, anti-unfair competition is not a material issue from both financial and impact perspectives. From a financial perspective, potential economic compensation and losses related to this issue are minimal relative to the Company's overall asset scale and revenue and do not materially affect financial status or business performance. In terms of impact materiality, the Company's operational practices do not involve false advertising, infringement of trade secrets, or monopolization of the transport market. Public and media attention to this issue is limited, and it has not affected the Company's development strategy or market reputation.

During the reporting period, the Company was not involved in any lawsuits or major administrative penalties related to unfair competition.

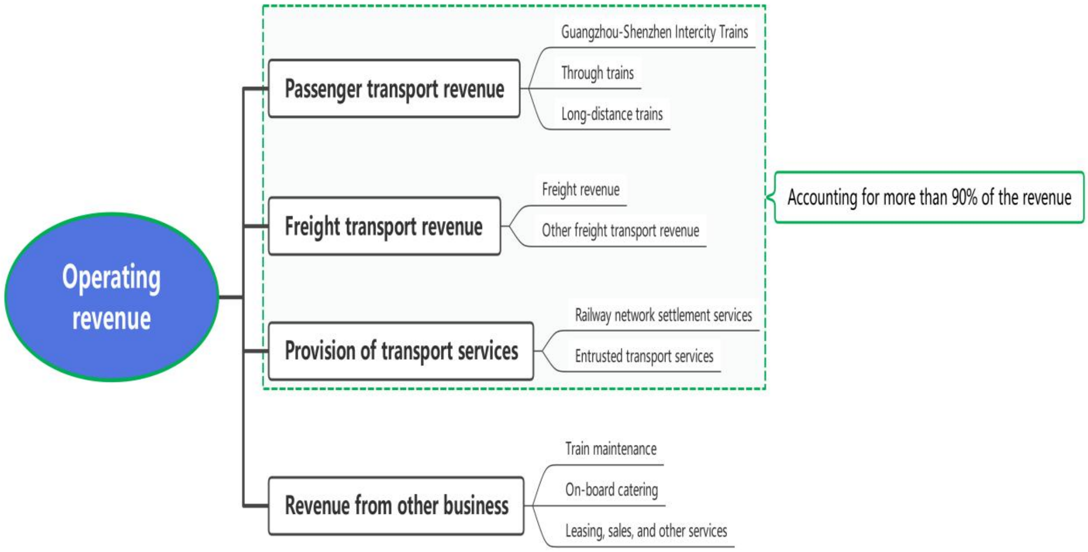
V. Safety Guarantee & Passenger and Freight Transport

15 Product and service safety and quality

The Company's core business consists of passenger and freight transport and the provision of railway operation services, including network clearing services and entrusted operation services. Transport safety and service quality are key factors determining the stability of the Company's operations, operating revenue, cost structure, and brand reputation, and are therefore material to the Company's sustainability from both a financial materiality perspective and an impact materiality perspective.

China has developed the world's largest modern railway network, which offers comprehensive advantages such as high transport capacity, high speed, all-weather operation, strong versatility, safety and punctuality, and green and low-carbon performance. As the backbone of the integrated transport system, railways provide vital support for public travel, the transport of key materials, and modern logistics. The Company has consistently regarded transport safety as its lifeline and service quality as its competitive strength. It continues to strengthen its safety control system, improve the quality of railway passenger transport services, and promote the transformation of traditional railway freight transport toward modern logistics, thereby supporting stable operations and long-term value creation through safe, reliable, high-quality, efficient, green, and low-carbon transport services.

Financial Materiality Analysis: In terms of revenue structure, revenue from railway passenger and freight transport and the provision of transport services accounts for more than 90% of the Company's operating revenue. If a major railway safety incident were to occur, or if transport services were to experience serious quality problems, this could in the short term lead to consequences such as customer loss (including passengers and cargo owners), substantial compensation liabilities, and administrative penalties, thereby having a significantly adverse impact on the Company's business operations, operating results, and cash flow. Over the medium to long term, it could also undermine the Company's brand reputation, customer relationships, employee morale, and other value drivers such as business innovation. From a cost perspective, sustained investment in safety, including upgrades and renovation of rail lines and equipment, employee training, and technological improvement, may directly increase operating costs in the short term, but helps reduce the medium- to long-term costs associated with accident risks, such as compensation expenses and losses arising from service suspension. In addition, high-level performance in safety and operational quality helps expand the Company's financing channels and reduce financing costs.



Impact Materiality Analysis: The Company operates the Guangzhou-Shenzhen Intercity Railway and the Guangzhou-Pingshi section of the Beijing-Guangzhou Railway, and is entrusted with providing operation services for multiple railway lines within Guangdong Province. It serves as a core transport backbone of the Guangdong-Hong Kong-Macao Greater Bay Area and a key carrier for regional connectivity. In 2025, the Company, excluding entrusted operation lines, recorded passenger traffic of 63.86 million and freight volume of 15.48 million tons, playing an important role in supporting the efficient flow of people within the Greater Bay Area, the stability of industrial and supply chains, and the transport of key materials. Safe railway passenger and freight transport is the foundation of the Company's sound operations and an important prerequisite for supporting the economic circulation, social stability, and high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area. Any transport safety incident could directly result in casualties, property losses, and damage to railway lines and equipment, and could have a significant adverse impact on regional social order, economic operations, and the reputation of the railway industry. The Company is responsible for the railway transport of energy materials and hazardous chemicals, including coal and liquefied natural gas. The safe transport of such materials is directly related to regional energy supply security, ecological and environmental safety, and sustainability. A major safety incident could lead to risks such as interruptions in energy supply or pollution leakage, thereby affecting regional energy efficiency, industrial layout, and the ecological environment, and negatively impacting stable economic and social operations.

Governance

The Company remains committed to putting people first and life first, firmly upholds the concept of safety-driven development, and strictly implements railway safety arrangements. It has improved a comprehensive safety protection system integrating human, physical, and technical defenses, reinforced safety responsibilities at all levels, strengthened control over key processes and emergency response, and resolutely safeguarded the bottom line of safety. At the same time, guided by the needs of passengers and freight shippers, the Company has worked to improve passenger transport quality and freight transport efficiency, and continuously enhanced the standardization and professionalism of its services, thereby supporting the Company's stable operations and regional economic and social development through high standards of safety and service quality governance.

Strategy

The Company has incorporated safety indicators and the quality of passenger and freight services into its business performance evaluation system, and regards the development of a modern railway transport service system and a modern railway safety support system as its core strategic objectives. The Company strictly complies with the *Law of the People's Republic of China on Work Safety*, the *Railway Law of the People's Republic of China*, and the *Railway Safety Management Regulations*, so as to ensure the continued stability of transport safety and deliver high-quality passenger and freight transport services. By continuously improving both safety governance and service quality, the Company advances its high-quality development.

Impact, risk, and opportunity management

The Company identifies compliance risk points in safety management, strengthening its management of transport safety, operational safety, construction safety, fire safety, external railway safety, and service quality.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Safety management risk	●Failure to establish and implement a full-staff work safety responsibility system as required	●May lead to administrative penalties ●May trigger complaints from passengers and freight shippers and legal disputes, thereby damaging the Company's interests ●May trigger negative public opinion, resulting in adverse social impacts ●May lead to impairment of employee interests, trigger labor disputes, and result in related economic compensation liabilities ●May result in casualties or public health incidents, and result in related economic compensation liabilities ●Suspected of constituting a criminal offense and leading to criminal liability	Short-term	General risk	Implement a regular mechanism for monthly safety inspections, and conduct benchmarking inspections on the implementation of the work safety responsibility system.
	●Failure to establish and implement the dual prevention mechanism for graded safety risk control and hidden hazard identification and remediation as required		Short-term	General risk	Rely on the safety big data platform to promote whole-process, all-staff risk control and the identification and remediation of hidden hazards; strengthen supervision, inspection, and professional guidance, and promptly rectify problems when identified.
	●Inadequate safety investment		Short to medium term	General risk	Implement the budget management system, fulfill decision-making procedures, and strengthen project approval for safety-related funding.
	●Failure to provide work safety production education and training to employees as required		Short-term	General risk	Increase investment in safety, safety management, and safety training for operational personnel; carry out occupational health management and prevention and control of occupational diseases in accordance with regulations; regularly supervise and inspect safety training and certification compliance.
	●Equipment and facilities failing to meet national or industry standards		Short to medium term	General risk	Improve and refine the rules and regulations for the use, management, and maintenance of facilities and equipment; conduct regular equipment inspections and quality assessments; strengthen supervision, inspection, and professional guidance, and promptly rectify problems when identified.
	●Failure to carry out emergency preparedness work as		Short-term	General risk	Develop and implement an annual emergency drill plan; incorporate emergency training

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
	required				into safety education and training content; implement standards for the allocation of emergency facilities and equipment and ensure proper maintenance and good working condition; strictly implement national and railway industry public health prevention and control requirements and improve the hygiene and epidemic prevention system for stations and trains.
	●Failure to report, investigate, and handle accidents as required		Short to medium term	Higher risk	Improve and implement the safety information management system; ensure smooth channels for reporting work safety issues; conduct accident investigations and handling in accordance with the law.
Environmental risk	●Safety accidents occurring during the transport of dangerous goods by railway	●May result in casualties, leaks of hazardous materials, and environmental pollution ●Increase the Company's potential risk cost expenditures	Short to medium term	Higher risk	Strictly implement the *Regulations on Safety Supervision and Management of Railway Dangerous Goods Transport* issued by the Ministry of Transport. In the event of combustion, explosion, environmental pollution, poisoning, theft, loss, or leakage during the transport of dangerous goods, escorts and relevant personnel on site shall promptly report the incident in accordance with national regulations and carry out initial response measures in line with the emergency response plan.
Transition risks					
Policy and legal risks	●Regulation of railway safety management and service quality is becoming more comprehensive and stringent, and the Company may not adapt promptly to regulatory changes. ●Government requirements for special railway safety rectification campaigns may create potential cost pressures.	●May lead to increased compliance costs ●May lead to changes in the management model for transport safety and service quality	Short to medium term	General risk	Strictly comply with the *Railway Safety Management Regulations* formulated by the State and various provinces, as well as the *Measures for Supervision and Management of Railway Transport Service Quality* and the *Measures for Supervision and Management of Railway Passenger Transport Safety Inspection* formulated by the Ministry of Transport, and implement the requirements for special rectification of railway safety issues.
Market-oriented risks	●Passenger and freight shippers are increasingly concerned about railway transport safety and service quality. The diversification of transport market choices and intensifying market	●If the Company fails to successfully expand its high-speed rail passenger business and advance the transformation of railway freight into modern logistics, its overall market efficiency and competitiveness may be weakened.	Short to medium term	Higher risk	Optimize high-speed railway passenger transport products and capacity deployment, and expand the passenger transport market; promote the transformation of freight transport into modern logistics, develop end-to-end logistics and multimodal transport, strengthen digital and intelligent capabilities and service quality improvement, and

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
	competition pose challenges.				achieve high-quality coordinated development of passenger and freight transport.
Reputation risks	●Major safety incidents, passenger casualties, or service quality problems occur.	●If the Company fails to take appropriate countermeasures to mitigate public opinion risks, its reputation may suffer negative consequences.	Short to medium term	Higher risk	Establish a rapid response and emergency handling mechanism, promptly carry out rescue operations and follow-up arrangements, and report information in accordance with regulations; conduct comprehensive inspections to identify and rectify potential hazards, strengthen accountability tracing, and continuously improve safety assurance and service quality.

The Company continues to improve its safety management system and enhance service quality in order to effectively respond to various physical risks and transition challenges. By implementing proactive and efficient strategic measures, the Company is able to seize development opportunities and comprehensively improve the effectiveness of its operations and management.

Opportunity	Description and impact	Timeframe
Expanding the transport market	China State Railway Group Co., Ltd. proposed the strategic goal for the “15th Five-Year Plan” period to unswervingly accelerate the development of a world-class railway enterprise. It has called for continuously strengthening the core functions of state-owned railway enterprises, enhancing their core competitiveness, achieving the objectives of “Five World-Class” goals, basically achieving railway modernization, and striving to make greater contributions to Chinese modernization. During the “15th Five-Year Plan” period, the transport market and the public will continue to place higher expectations on railway transport in terms of safety, reliability, service quality, and efficiency. If the Company is able to continue strengthening safety governance, improving service quality, and accelerating innovation in passenger and freight products, it will be well positioned to seize the opportunities arising from the integrated development of the Guangdong-Hong Kong-Macao Greater Bay Area, enhance its core competitiveness and sustainability, and consolidate and expand its transport market.	Medium to long term
Enhancing service quality	Improving service quality helps promote higher-quality passenger rail services and the modernization of rail freight logistics, drives the upgrading of industry service standards, enhances the competitiveness and attractiveness of railways within the integrated transport system, promotes the optimization of the transport structure, and supports the high-quality development of the railway industry. If the Company continues to optimize service processes, upgrade service facilities, and innovate service offerings, it will be able to significantly improve the satisfaction of passengers and freight shippers, while enhancing its market competitiveness and brand influence.	Short to medium term

Indicators and targets

During the reporting period, the Company successfully achieved its annual safety production targets, with no major safety incidents occurring.

Track and Equipment Safety

In 2025, the Company strengthened the track and equipment safety foundation. It advanced the centralized maintenance of the Beijing-Guangzhou Railway in an orderly manner, carried out centralized rectification of equipment on the Guangzhou-Shenzhen Railway, and successfully completed the quality improvement and speed enhancement renovation of Guangzhou-Shenzhen Railway Lines I and II, further raising the safety level of its tracks and equipment and improving its safety protection capabilities.

GSRC track operations (including entrusted lines)	2023 work volume	2024 work volume	2025 work volume
Replacement of steel rails (km)	178.383	178.177	259.927
Replacement of curved worn rails (km)	19.67	10.401	28.201
Installation/replacement of turnouts (sets)	259	298	119
Large machinery tamping (km)	1,041.54	1,053.88	1,657.52
Track maintenance (km)	617.2	466.4	428.6
Repair of water damage on tracks (cases)	62	47	68
New and elevated isolation fences (m)	21,724	29,208	31,927
Installation of blade security fences (m)	32,217	36,164	47,000

The Company implemented a comprehensive improvement project for the off-railway safety environment along the railway section between Guangzhou Baiyun and Xintang stations, completing works including the installation of 1,295 additional fence posts and the upgrading of 26.624 kilometers of perimeter walls. It also carried out focused efforts to clear debris, plant grass and improve landscaping, renovate dilapidated walls, and upgrade or replace corroded security facilities. In addition, the Company replaced 300 composite bridge sleepers on the Guangzhou–Shenzhen Railway and reinforced and upgraded bridges to improve track stability, thereby laying a solid foundation for railway operations in support of the 15th National Games and projecting a positive image.

Train Station and Passenger Safety

The Company has strictly fulfilled its primary responsibility for railway transport safety, comprehensively implemented on-site safety prevention and control measures at stations and on trains. It enforced closed-off safety management at stations within its jurisdiction, strengthened passenger flow alerts and staffing arrangements during peak periods, and took preventive measures against platform operation risks. Based on passenger flow conditions, stations dynamically increased the number of security screening channels and deployed sufficient screening personnel, while strengthening equipment maintenance and inspection and ensuring compliance with operating standards, so as to achieve full security screening coverage for passengers and their belongings and resolutely prevent dangerous goods from entering stations or trains. The Company also worked closely with railway police authorities to further advance the “Safe Railway 2025” campaign, the campaign against molestation and other illegal and criminal acts, and the “Iron Eagle Squad” special enforcement campaign. Illegal and criminal conduct such as molestation, seat occupation, and disorderly conduct while intoxicated was dealt with promptly and decisively whenever discovered, thereby effectively strengthening deterrence and control. At the same time, the Company promoted travel safety knowledge and relevant laws and regulations to passengers, enhanced their awareness of safety precautions, and fostered a safe, orderly, and civilized travel environment.

Key Passenger Stations – Passenger Traffic (including Entrusted Operations) and Security Screening

Station	Passenger traffic (ten thousand)			Security screening in 2025		
	2023	2024	2025	Security screening machines (units)	Handheld security devices (units)	Hazardous items confiscated (cases)
Guangzhou Railway Station	1,234.3	1,112.2	710.5	16	70	180,109
Guangzhou Baiyun Railway Station	—Note	710.9	1,289.9	25	60	228,176
Guangzhou East Railway Station	1,899.7	2,090.1	1,850.5	18	78	241,386
Guangzhou South Railway Station	9,127.6	8,937.6	8,876.5	59	295	512,598
Shenzhen Railway Station	923.4	1,070.6	995.2	18	147	84,890
Shenzhen North Railway Station	5,835.0	6,091.5	6,466.9	38	208	635,485
Shenzhen East Railway Station	551.4	660.6	715.8	14	50	286,003
Futian Railway Station	298.0	433.8	542.9	8	47	29,707

Note: Guangzhou Baiyun Railway Station officially commenced operations on December 26, 2023; therefore, no passenger traffic data is available for 2023 for comparison purposes.

Personal Safety

The Company places great importance on employee safety and has established and improved its institutional framework to consolidate the foundation for safety governance. First, it improved the safety accountability system by revising the Company *Work Safety Responsibilities* and implementing safety management requirements such as safety management rules, technical regulations, and operating manuals. Second, it advanced the development of emergency response plans by improving and implementing plans for flooding, emergencies, fire safety, construction operations, and other scenarios, while strengthening emergency training and practical drills to enhance the relevance and operability of such plans. Third, it deepened safety publicity and education by earnestly organizing activities for the national "Work Safety Month", fostering a strong culture of safety, and enhancing the safety awareness and legal literacy of all employees. Fourth, it used technology to support safety by applying intelligent, digital, and automated equipment and systems to improve operational efficiency, reduce labor intensity, and safeguard the occupational safety of operational personnel. GSRC had achieved the "zero death" goal for employee liability accidents for six consecutive years. In 2025, 56 employees of the Company were injured on the job, resulting in a total of 3,580 lost workdays.

Ensuring passenger safety remains the core objective of the Company's operations. The Company has taken multiple measures to reinforce safety protections, guaranteeing the highest level of safety for high-speed and passenger trains. First, it safeguards safety at stations and onboard trains by strengthening passenger boarding and alighting arrangements, upgrading passenger service facilities and train equipment, carrying out routine inspection and maintenance, and strictly implementing comprehensive security screening. Second, it protects safety along the railway lines through fully enclosed track management, advancing the replacement of level crossings with grade-separated crossings, assigning dedicated personnel to key crossings, and strengthening joint railway protection efforts and video surveillance to prevent unauthorized persons and livestock from entering the railway tracks. Third, it protects public health by implementing routine disinfection and health monitoring at stations and onboard trains, and by intensifying epidemic prevention inspections during key periods to safeguard public health. Fourth, in terms of public security prevention and control, in coordination with railway public security authorities, it helps maintain the safety and stability of passenger transport operations by stepping up passenger flow management and safety inspections during peak travel periods, such as the Spring Festival travel season and summer travel season, making every effort to ensure safe travel for passengers.

Quality Management

The Company adheres to the principles of safety first and quality foremost, and takes ensuring transport safety and improving service quality as the core objectives of its quality management. It continues to improve a whole-process quality management system covering safety, operations, equipment, and services. By implementing quality management requirements and enhancing operational and service standards, the Company has won a number of quality honors and certifications.

Quality management unit	Quality management team (group)	Quality honor/certification
Guangzhou-Kowloon Train Onboard Service Division	High-Speed Railway EMU First Crew Team	Model Site for Railway Service Culture Development
Guangzhou Carriage Maintenance Division for Passenger Train	Yu Mingjing Studio QC Team for Quality Improvement Guangzhou Crew "Excellence" QC Team	Silver Award, Guangdong South China Star Outstanding Quality Management Team
	Guangzhou Passenger Train Fourth Crew Team	Guangdong Province Outstanding Reliable Quality Team

Passenger and freight services

Passenger transport business

In 2025, the Company's passenger transport business completed a passenger volume of 63.86 million, with passenger revenue reaching RMB11.338 billion. Upholding a people-oriented service philosophy and the service commitment of "Serving the People through Railways", the Company remained focused on passenger needs, continuously improved service quality, strengthened product supply, and provided railway passenger transport services that are safe, punctual, accessible, convenient, comfortable, and green.

(1) Quality and speed improvement of the Guangzhou-Shenzhen Intercity Railway: In the second half of 2025, the Company implemented the quality improvement renovation of Guangzhou-Shenzhen Intercity Railway Lines I and II. Starting from November 5, 2025, the maximum permitted speed on the two lines was raised from 160 km/h to 200 km/h. The fastest non-stop journey between Guangzhou East Railway Station and Shenzhen Railway Station was shortened to 57 minutes, and 27 additional train services were introduced, further enhancing the Guangzhou-Shenzhen Intercity Railway's role in driving regional development and continuously improving the passenger travel experience.

(2) Optimization of train operation plans: The Company has implemented a train timetable adjustment mechanism featuring "quarterly adjustments and targeted optimization", and carried out four timetable adjustments during the year, successfully advancing the functional restructuring of the Guangzhou railway hub, with "high-speed rail services moving further into the city center, conventional-speed rail services shifting to outlying stations, and intercity services becoming more frequent". Starting from July 1, 2025, Guangzhou Railway Station has achieved operations primarily led by EMU trains, with the EMU train service ratio exceeding 90%; Guangzhou Baiyun Railway Station took over conventional train services, forming a transport hub with conventional rail as the mainstay and high-speed rail and intercity rail as supplements; Guangzhou East Railway Station added additional train services to Shenzhen Futian and eastern Guangdong; Xintang Railway Station in Guangzhou further strengthened the connectivity function of the Guangzhou-Shenzhen-Hong Kong High-speed Railway.

(3) Enhancement of the passenger travel experience: In 2025, the Company took multiple measures to enhance the passenger travel experience, including integrating the waiting areas at Shenzhen Railway Station to achieve centralized entry and unified waiting for intercity, conventional, and

high-speed trains; enriched catering options, supported QR code meal ordering, and delivered food to seats through the Railway Travel Code; expanded quiet carriages to create a quiet travel environment; added additional transfer points for air-rail intermodal transport, comprehensively enhancing passengers' sense of travel satisfaction.

(4) Deepening passenger-friendly ticketing benefits: The Company improved and expanded passenger-friendly ticketing products such as multi-ride and period passes, building a system of "more trips, greater discounts" covering popular routes within its service area. It also implemented a market-oriented fare mechanism by offering different discounted fares by seat class based on passenger flow, effectively reducing passengers' travel costs.

(5) Service support for the 15th National Games and the 12th National Games for Persons with Disabilities & the 9th National Special Olympic Games: The Company made outstanding contributions to transport services support for the events and received written commendation and a letter of appreciation from the Games Executive Committee. It added 150 integrated transport signs at key stations, optimized in-station transfer guidance, and, in line with the arrival-to-departure schedules of event delegations, set up fast-track verification services, waiting areas, and security screening channels. Key stations in Guangzhou, Shenzhen, Huizhou, and other locations cumulatively served 3,402 groups and 12,807 event-related personnel.

Freight Transport Business

In 2025, the Company accelerated the transformation of traditional railway freight transport into modern logistics, expanded the freight market through targeted measures, and vigorously developed multimodal transport, contract logistics, and freight train services. During the year, the total freight volume completed was 15.48 million tons, with freight revenue reaching RMB1.865 billion. The Guangzhou-Shenzhen Railway Logistics Center under the Company operated a total of 46 train routes during the year and completed 11 contract logistics projects. It also actively advanced the digital and intelligent upgrading of Dalang Freight Yard, completing intelligent equipment upgrades and establishing a safety command center and an intelligent access control system, thereby enabling intelligent container slot management, site-wide visualized control, and rapid yard-entry operations.

16 Supply chain security

The Company's assessment indicated that the supply chain security issue has financial materiality and impact materiality, and is a core issue. In terms of financial materiality, ensuring supply chain security is core to the sustainable development of our transport business and is directly related to cost control and value creation. Equipment leasing, service fees, and material consumption, as key components of the main business costs, rely for their stable supply on full-chain support, including track equipment, operational services, materials and supplies, information technology and digitalization, and energy and power. In the short to medium term, supply chain source stability, price fluctuations, and cooperative relationships will directly affect business operational continuity, financial stability, cash flow health, and financing costs. In the long term, by building a secure and controllable supply chain system, we can further optimize resource allocation efficiency, reduce operational risks, and enhance transport efficiency and service quality, thereby creating sustained economic value. In terms of impact materiality, supply chain security involves multiple stakeholders such as suppliers, passengers and cargo owners, and employees, and has broad socioeconomic impacts. At the industry level, it directly ensures the safety and smooth operation of the railway transport network, and ensures the efficient flow of passengers and goods. From the perspective of regional development, a stable supply chain system can strengthen the role of railways as infrastructure support, promote the flow of regional economic factors and industrial coordination, serve national strategies and social development needs, and achieve the unity of economic benefits and social benefits.

Governance

We have improved our supply chain management system. During the Reporting Period, we revised policies and procedures including *Company Procurement Management Measures* and *Implementation Rules for the Management of Small-Scale Projects of the Company (Trial)*. We strictly standardized end-to-end procurement process management, rigorously implemented the decision-making review and approval procedures for procurement matters, strengthened supplier access and quality control, promoted transparent procurement and routine review, audit, and supervision, and comprehensively enhanced supply chain governance capabilities and risk prevention and control.

Strategy

We have remained committed to prioritizing supply chain security, stability, and reliability, and established an intensive and efficient, independently controllable, and well-supported modern supply chain management system. We have strengthened upstream control, process oversight, and emergency support, and continued to enhance supply chain resilience and risk resistance capabilities, providing solid material support for the safe and stable operation of the railway.

Impact, risk, and opportunity

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Aging-related failure risks	●Inadequate implementation of maintenance measures for line equipment ●Inadequate control over equipment quality at the source of the supply chain ●Untimely supply of equipment	●Unable to promptly eliminate equipment aging failures, resulting in railway operation safety accidents ●Increase in equipment maintenance and accident handling costs	Short to medium term	General risk	●Strengthen equipment quality control from the supply chain source, and prioritize high-quality maintenance and repair materials ●Establish a normalized supply mechanism for equipment maintenance materials to ensure the

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
	maintenance materials				material needs for maintenance, inspection, and rectification ●Build an equipment condition monitoring system to predict aging failures in advance and coordinate with the supply chain to stock up accordingly
Risks of technological backwardness	●Supply chain management is not aligned with the upgrade requirements of railway technical standards ●Procurement and upgrading of materials for advanced technical equipment lag behind ●Progress in advancing indigenous substitution is slow	●May affect the project construction progress and acceptance ●May cause a sharp increase in upgrade and renovation costs ●May affect information security and operational efficiency	Short to medium term	Higher risk	●Benchmark against national railway technical standards, optimize the supply chain for technical equipment and materials, and prioritize the procurement of equipment that complies with the new standards ●Promote independent substitution of equipment, and implement the application requirements for IT innovation products ●Study the upgrade pathway for technical equipment, and plan reserves of materials for cutting-edge technologies
Transition risks					
Policy and legal risks	●The National Railway Administration has issued relevant technical standards for railway industry equipment. China State Railway Group Co., Ltd. has introduced the *Railway Equipment Renewal and Upgrading Action Plan*, among others, imposing new and higher requirements for our supply chain security management.	●Responding to policies requires additional costs for equipment procurement and technology upgrades. ●Failure to meet standards will affect supply chain compliance and market access.	Medium to long term	General risk	●Benchmark against the latest railway technical standards to optimize supply chain access and control standards ●Ensure compliant procurement of equipment and materials, and advance equipment renewal and upgrading in phases ●Establish a policy tracking and interpretation mechanism to promptly adjust supply chain management strategies
Market risks	●Inadequate implementation of supply chain management ●Deviations in the rollout of supplier supervision and evaluation mechanisms ●Stricter credit supervision of industry suppliers	●Issues arising from non-conforming material quality, supply disruptions, and source monopolization ●Increase in supply chain maintenance costs ●Facing supplier management compliance risks	Short to medium term	Higher risk	●Strictly implement full-chain supplier management and credit evaluation. ●Cultivate diversified supplier resources to mitigate single-source supplier risks.

Opportunity	Description and impact	Timeframe
Cost reduction and efficiency enhancement	By establishing a supply chain security assurance system, we are able to effectively ensure the security, stability, and intensive and efficient operation of the supply chain, thereby achieving cost reductions and efficiency improvements and comprehensively enhancing the supply chain's robustness and risk resilience.	Medium to long term
Enhancing advanced production capacity	Through the phased implementation of railway equipment renewal and upgrading, we can significantly enhance the safety level of our equipment, optimize operational efficiency, and support the transformation of transport operations toward digitalization, intelligence, and green and low-carbon development, thereby unlocking the potential of advanced production capacity and consolidating our competitive advantage in the transport market.	Medium to long term

Indicators and targets

The core objective of our supply chain security is to leverage an efficient management mechanism to ensure the stable and continuous supply of equipment, materials, and services, thereby safeguarding the normal operation of passenger and freight transport production and business management activities. Meanwhile, we aim to establish an open and transparent supply chain management system to achieve traceability of information throughout the entire process, systematically identify, assess, and prevent and control potential supply chain risks, and minimize operational disruptions or economic losses caused by supply chain interruptions to the greatest extent possible. In 2025, the Company and stations implemented 233 public tendering projects and 13,345 procurement projects through other methods, involving a total of 2,353 suppliers, including 2,350 from the Chinese mainland and three from Hong Kong, China.

17 Data security and customer privacy protection

Company data sources	Passenger/cargo owner privacy
●Operational data ●Customer data ●Financial data ●Employee data ●Safety and monitoring data	●Identity information ●Contact information ●Payment information ●Travel (logistics) information ●Behavioral data (consumption habits, complaints, and feedback) ●Membership information (frequent travelers)
Data security: Protecting internal company and customer data from unauthorized access, leaks, tampering, or destruction.	**Customer privacy protection: Ensuring that customer's personal information is not misused or disclosed, maintaining customer control over their personal data.**

In the short term, data security and customer privacy protection have a relatively limited impact on our financial performance, and the related costs are controllable. This issue involves multiple stakeholders, including suppliers and customers. It is of significant importance for us to earn public trust in our long-term development, build corporate reputation, achieve safe and stable operations, and maintain social stability, and is a key element supporting our sustainable development. Therefore, this issue is an important issue with no financial materiality but with impact materiality.

In our efforts on data security and customer privacy protection, we implement and enforce laws and regulations including *Cybersecurity Law of the People's Republic of China* and *Administrative Measures for the Security Protection of Railway Critical Information Infrastructure*. In alignment with cybersecurity and data security protection standards for the railway industry, we implement measures such as data storage, access control, network protection, regular attack-and-defense drills, emergency response handling, and terminal security inspections, thereby strengthening the security protection of critical information infrastructure. We have strictly implemented the real-name ticketing system and passenger credit management requirements, standardized the reporting of records of dishonesty, and improved the long-term mechanism for data security and privacy protection. During the Reporting Period, the Company had no major data security incidents or customer privacy leaks, ensuring the safe and stable operation of the railway information system.

18 Technology ethics

Our business operations do not involve scientific research in sensitive areas of technology ethics. Therefore, technology ethics is not financially or impact-material, but it remains a relevant issue for sustainable development. The Company may apply technologies such as facial recognition, video surveillance, and audio recognition in processes including passenger ticket checking, employee attendance, security inspection patrols, and work record keeping. We are able to strictly follow the principles of legality, legitimacy, and necessity, standardize the collection, storage, and use of personal information, prevent over-collection and misuse beyond the permitted scope, effectively safeguard the legitimate rights and interests of passengers, employees, and other stakeholders, and promote the coordinated development of railway technology applications and ethical norms.

VI. Environmental Protection and Technological Innovation

19 Response to climate change

Response to climate change is a core issue with financial materiality and impact materiality. Our assessment indicated that, as our core business, railway passenger and freight transport has the advantages of strong climate resilience and high operational stability. However, we could still be severely affected by extreme weather and geological changes. In terms of financial materiality, in the short to medium term, extreme climates could easily trigger damage to railway lines and equipment failures, increasing additional costs such as infrastructure maintenance and emergency response. Delays, disruptions, or cancellations of our passenger and freight transport business would result in revenue losses for us. Long-term climate change may lead to adjustments in the layout of the transport market, upgrades to technical equipment standards, and changes in passenger and cargo sources, among others, potentially affecting our revenue, cost expenditures, and other aspects. At the impact materiality level, extreme climate events directly and severely threaten the operational safety and service stability of enterprises, posing significant impacts on passenger travel, freight transport, and regional economic and social exchanges. Response to climate change and ensuring the safe and stable operation of railway transport concern numerous stakeholders, including passengers, cargo owners, government departments, employees, and suppliers. Meanwhile, promoting the green and low-carbon transformation of railway transport has positive and far-reaching significance for environmental protection and response to climate change.

Governance

The Company and all stations strictly implement the work requirements of “preventing in advance, avoiding proactively, and responding effectively”, strengthening the flood control and disaster resistance capabilities of line equipment from the source. We precisely implement risk avoidance measures such as weather early warnings, speed restrictions and service suspension, and turn-back and rerouting, enhance emergency response and rescue and repair capabilities, and ensure safe, stable, and smooth railway transportation.

Strategy

We are committed to implementing the new development philosophy, building a new development framework, and promoting high-quality development. We will diligently implement the national policies on climate change mitigation, energy conservation, and emission reduction, and integrate response to climate change into our overall development plan.

Impact, risk, and opportunity

To thoroughly understand and prudently address the actual and potential impacts of climate change on our business operations, we have identified risks and opportunities associated with climate change.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Acute risks	●Extreme weather, such as high temperatures, freezing conditions, rainstorms, and strong winds, occurs frequently and may lead to increased maintenance costs for line equipment or accelerated depreciation, resulting in failures and damage to line equipment. ●Extreme weather may cause delays, disruptions, and cancellations in railway transport. ●Extreme weather may increase the risk of casualties, property losses, and cargo losses.	●Increased operating and maintenance costs ●Increased administrative expenses ●Asset losses ●Reduced operating revenue/Non-operating expenses incurred	Short to medium term	Higher risk	●Strengthen inspections and rectification of hidden risks in line equipment, and enhance the ability to withstand extreme weather ●Pre-deploy emergency forces, establish guard, patrol, and emergency rescue teams, ensure sufficient rescue equipment and supplies, and inspect and reinforce key sections and nodes ●When necessary, adopt measures such as speed restrictions, service suspension, and turnback or detours, implement refund policies for suspended trains, and ensure passenger safety ●Quickly restore operations after extreme weather, inspect for hidden risks such as water damage and foreign objects encroaching on clearance limits, and ensure safe line operations
Long-term risks	●In the long term, climate change may affect travel mode choices and the layout of passenger and freight transport. ●Transportation demand for traditional fossil fuels such as coal and oil may be affected.	●Long-term investments in response to climate risks continue to increase ●Reduced revenue due to a decline in traditional bulk commodity transport ●Increased operating costs due to adjustments to the transport network layout	Long-term	General risk	●Optimize the transportation structure, and vigorously develop green logistics businesses such as rail-water intermodal transport and high-speed rail express freight. ●Promote the construction of green electricity projects such as photovoltaic power generation and energy storage along railway lines to reduce the cost of response to climate change. ●In line with regional development plans,

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
					adjust the layout of the railway transportation network in advance to adapt to changes in market demand.
Transition risks					
Policy and legal risks	●Multiple departments issued implementation plans for the low-carbon development of railways, setting higher requirements for various tasks in the railway industry, including response to climate change, carbon peaking and carbon neutrality, and energy conservation and emissions reduction. ●Listed companies' standards for climate change information disclosure have been raised.	●Increased operating costs due to compliance rectification ●Failure to meet disclosure requirements may result in regulatory inquiries ●Failure to keep up with policies may lead to missed green development opportunities	Medium to long term	General risk	●Establish a policy tracking and interpretation mechanism to promptly align with response to climate change information disclosure requirements ●Integrate policy compliance requirements into the entire process of supply chain management and daily operations
Market risks	●Investors and the public may place higher requirements on the green and low-carbon development of railways ●If we are unable to obtain an ideal ESG rating and implement sound green and low-carbon operations, this may adversely affect our market recognition and competitiveness	●Reduced investor confidence ●Weakened corporate competitiveness ●Loss of the customer base with demand for green travel	Medium to long term	General risk	●Strictly implement the requirements for low-carbon and green development in the railway industry, and strengthen ESG management ●Expand the promotion of green transport services to attract passengers who prefer green travel ●Respond to market and public expectations, and strengthen publicity for green and low-carbon operations

Opportunity	Description and impact	Timeframe
Green and low-carbon development	In November 2025, the State Council Information Office of the People's Republic of China released the white paper *Carbon Peaking and Carbon Neutrality China's Plans and Solutions*, comprehensively introducing the major achievements China had made in advancing carbon dioxide peaking and carbon neutrality over the past five years, sharing the action approaches and practical experience of China's carbon dioxide peaking and carbon neutrality efforts, and noting that China's clean and low-carbon transport system was being improved at an accelerated pace. We will further strengthen our commitment to a green and low-carbon development direction, enhance our capability for response to climate change, and seize the opportunities brought by improving the level of new quality productive forces.	Medium to long term
Cost reduction and efficiency	To respond to climate change, we will improve the safety standards of line equipment, and promote the low-carbon transition by applying new technologies and equipment,	Medium to long term

enhancement	intensive transport, and green infrastructure projects, thereby reducing energy consumption costs and operating and maintenance expenditures, and creating opportunities to reduce costs and improve efficiency.	

Indicators and targets

The National Railway Administration, National Development and Reform Commission, Ministry of Ecology and Environment of the People's Republic of China, Ministry of Transport, and China State Railway Group Co., Ltd. jointly issued *Implementation Plan for Promoting Low-Carbon Development in the Railway Industry*, proposing the targets of a 10% decrease in comprehensive energy consumption per unit of transport work and carbon dioxide emissions per unit of transport work by 2030 compared with 2020, and peaking total carbon emissions before 2030. We will accelerate the promotion of green and low-carbon development in the railway sector in the new era, and steadily advance the implementation of key tasks.

20 Environmental responsibility

We believe that pollutant emissions, waste management, water resource utilization, and environmental compliance work are part of the environmental responsibilities undertaken by enterprises, and we have implemented unified management and integrated governance, and included them as an important issue in sustainable development. The Company's assessment found that the relevant work had been deeply integrated into day-to-day operations and management. Through internal professional departments and technical personnel, our in-house environmental protection treatment facilities, and in collaboration with third-party professional organizations, we jointly conducted comprehensive monitoring and compliant treatment of waste gas, wastewater, and hazardous waste generated in the production and operation process, thereby achieving safe discharge or transfer. Meanwhile, we proactively accepted the supervision and inspection of the government environmental management departments. During each period, the Company's financial resources used for relevant environmental investments were relatively limited and did not have financial materiality. We are required to perform multiple important tasks in terms of environmental responsibility, including protecting the railway and the ecological environment along the route, purifying and treating waste gas and wastewater, and implementing sound insulation and noise reduction measures, while also ensuring the safety of water supply for passenger trains and water use for all personnel. These responsibilities involve the interests of multiple parties, including passengers, employees, and communities along the route, and, due to the wide geographic coverage and long routes of our operating network, have significant social and ecological impact materiality.

We have conducted exhaust gas, wastewater, and noise monitoring, established and operated environmentally friendly treatment facilities for wastewater and exhaust gas, built and maintained sound insulation barriers in noise-sensitive areas along the railway lines, standardized locomotive horn use, and engaged professional third parties to handle hazardous waste. The main details are as follows:

Scope	Environmental responsibility Indicators	Unit	2023	2024	2025	Density in 2025 (usage or emissions/converted turnover)	Units for usage or emission intensity
Water use and wastewater discharge	Total water consumption	Ton	6,253,073.2	7,132,789.3	6,901,229.5	222.9	t/million t-km
	Industrial water consumption	Ton	1,535,506.6	1,533,262.6	1,225,703.9	39.6	t/million t-km
	Number of wastewater treatment facilities	Unit	17	17	17	/	

	Industrial wastewater discharge	Ton	1,034,518	1,112,905	866,160	28.0	t/million t-km
	Industrial wastewater treated	Ton	1,034,518	1,112,905	866,160	/	
	Pollutants removal in industrial wastewater					/	
	(1) Chemical Oxygen demand (cod) removed	Kg	164,700	408,559	89,834	/	
	(2) Petroleum substances removed	Kg	42,471	47,851	4,496	/	
	Pollutant emissions in industrial wastewater					/	
	(1) Chemical Oxygen demand (cod) removed	Kg	29,913	28,933	23,381	0.755	kg/million t-km
	(2) Petroleum substances removed	Kg	1,168	1,420	1,384	0.045	kg/million t-km
Exhaust gas emissions	Total exhaust gas emissions (Note 1)	10,000 Nm³	23,770	20,359	12,176	0.393	10,000 Nm³/ million t-km
	Number of exhaust gas treatment facilities	Unit	8	8	8	/	
	Pollutant removal in exhaust gases					/	
	(1) Sulfur dioxide removed	Kg	0	0	0	/	
	(2) Particulate matter removed	Kg	23	19	15	/	
	Pollutant emissions in exhaust gases					/	
	(1) Sulfur dioxide emissions	Kg	101	66	39	1.260	g/million t-km
	(2) Particulate matter emission a	Kg	97	43	36	1.163	g/million t-km
Solid waste	Total solid waste generated (Note 2)	Ton	8,226.41	6,551.33	18,016.01	0.582	t/million t-km
	Comprehensive utilization of solid waste	Ton	7,308.98	5,740.16	17,058.73	0.551	t/million t-km
	Solid waste disposed	Ton	916.34	792.2	975.45	0.032	t/million t-km

Note 1: In 2025, the number of vehicles undergoing factory-level maintenance at the North Guangzhou Carriage Maintenance Division for Cargo Train decreased, resulting in a reduction in total exhaust emissions.
Note 2: In 2025, the North Guangzhou Carriage Maintenance Division for Cargo Train scrapped various types of freight wagons, renovated the integrated inspection and maintenance workshop, carried out dredging of underground cables, and disposed of waste lead-acid batteries, leading to an increase in the volume of solid waste generated.

GSRC implemented laws, regulations, and standards such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and the *Reuse of Urban Recycling Water — Water Quality Standard for Urban Miscellaneous Use* to protect and save water resources through improving water reuse rate. GSRC did not encounter any problems in finding suitable water sources. As GSRC provided passenger and freight transport services, there were no statistics about the use of packaging materials for end-products, except for the protective and reinforcement materials necessary for the transport.

One subsidiary of GSRC — Guangzhou Train Driving and Maintenance Division was listed in the list of key targets under environmental supervision 2025. During the Reporting Period, no significant environmental incidents occurred, nor were we subject to major administrative penalties or criminal liabilities related to environmental violations.

Our existing railway lines and operational sites do not encroach upon ecological protection red lines or nature reserves. For commissioned railway lines and new construction projects, we have obtained environmental impact assessment approvals and implemented appropriate ecological and environmental protection measures. Our business activities do not pose significant impacts on ecosystems and biodiversity.

21 Energy utilization

Energy utilization is a core issue with financial materiality and impact materiality. The operation of electrified railways, passenger stations, freight yards, and other facilities requires a long-term and stable power supply, while diesel locomotives, power equipment, boilers, and business vehicles consume fossil fuels such as diesel, gasoline, and natural gas. Energy costs constitute a significant portion of our core business expenses and have a significant impact on our financial performance. Energy utilization not only concerns the safety and stability of our transport operations, but is also a key foundation supporting regional economic and social development. The use of clean energy helps strengthen the low-carbon and environmentally friendly attributes of railways, playing an active role in promoting environmental protection and response to climate change. Therefore, our strategies and practices in energy use have significant impacts on the economy, society, and the environment.

Governance

We have built long-term, stable partnerships with energy suppliers to ensure safe and reliable power supply. All stations have established and improved management systems and operating procedures for energy procurement, power facility maintenance, and safety rectification, ensuring energy supply security across multiple dimensions, including resource investment, technical support, and personnel allocation.

Strategy

The Company adhere to a low-carbon development direction, with the strategic goal of achieving green, safe, and sustainable energy utilization, and expanded energy utilization channels and capabilities in the development of a modern railway infrastructure system.

Impact, risk, and opportunity

To thoroughly assess and proactively respond to the actual and potential impacts of energy utilization on our business operations, we have identified key risks and opportunities.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Energy supply disruption	●Extreme weather and earthquakes may cause failures and damage to the traction power supply network ●Higher reliability requirements for the power supply system ●Power supply interruptions affect the safety and stability of transport operations	●Revenue losses due to transport delays and disruptions ●Increased operation and maintenance costs due to emergency repairs of power supply facilities ●Further increases in operating expenses due to the replacement of fossil energy equipment	Short-term	Higher risk	●Upgrade and renovate traction power supply facilities, and strengthen protection capabilities ●Build an intelligent and automated monitoring system to enhance emergency response capabilities ●Improve emergency power supply contingency plans, and strengthen facility inspections ahead of extreme weather conditions
Insufficient proportion of green electricity	●Green power facility retrofits require substantial investment, involve	●Facility upgrades drive up capital expenditures ●Reliance on fossil energy	Medium to long term	General risk	●Consolidate and expand energy supply channels and electricity sales entities

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
use	significant technical adaptation challenges, and long-term shortfalls will lead to reliance on fossil energy.	runs counter to low-carbon policies and faces requirements for environmental rectification			●Implement a market-based electricity trading mechanism, accurately match electricity demand and procurement scale, and prioritize connecting with green electricity resources.
Transition risks					
Policy and legal risks	●Energy conservation and carbon reduction regulatory requirements has become more stringent, and energy conservation supervision has achieved full coverage.	●Increased operating costs due to compliance rectification ●Facing the risk of administrative penalties	Medium to long term	General risk	●Track policy and regulatory requirements, and strictly benchmark against energy conservation and carbon reduction as well as power supply technical standards ●Strengthen energy consumption monitoring to ensure data traceability and verifiability ●Integrate energy conservation compliance requirements into the entire process of equipment procurement and operation and maintenance
Market risks	●Energy price fluctuations ●Insufficient application of green electricity	●Rising energy prices drive up operating costs ●Lagging green operations affect the Company's competitiveness and market recognition	Medium to long term	General risk	●Promote the application of new energy and new technologies, such as photovoltaic + energy storage and new energy locomotives. ●Expand the channels for energy utilization and diversify the forms of energy utilization.

Opportunity	Description and impact	Timeframe
Optimize the energy structure	Promoting green railway construction and low-carbon transformation of transportation equipment will gradually increase the proportion of clean energy usage, optimizing the energy utilization structure.	Medium to long term
Cost reduction and efficiency enhancement	Stable energy supply, upgrades to traction power networks, and the adoption of renewable energy locomotives will ensure safe and efficient railway operations. Increasing the proportion of clean energy usage will help reduce energy costs, achieving cost reduction and efficiency enhancement goals.	Medium to long term

Indicators and targets

Energy consumption and emissions	Values				Consumption and emission intensity (quantity/converted turnover)			
	2023	2024	2025	2025 compared to 2024	Unit	2023	2024	2025
Comprehensive energy consumption (tce)	141,879.89	148,276.74	145,670.18	-1.76%	t/million t-km	4.71	4.96	4.71
Electricity consumption (10,000 kWh)	52,937.91	60,470.84	60,056.41	-0.69%	10,000 kWh/million t-km	1.76	2.02	1.94
Diesel consumption (t)	51,765.01	50,265.68	48,993.75	-2.53%	t/million t-km	1.72	1.68	1.58
Natural gas consumption (10,000 m^3)	72.97	20.31	37.94	+86.80%	m^3/million t-km	24.25	6.80	12.26

Direct energy consumption (tce)	76,313	73,512	71.849	-2.26%	t/million t-km	2.54	2.46	2.32
Indirect energy consumption (tce)	65,567	74,765	73,821	-1.26%	t/million t-km	2.18	2.50	2.38
Clean energy consumption (tce)	28424	31671	35895	+13.34%	t/million t-km	0.94	1.06	1.16
Scope 1 emissions (tCO_2)	165,228	159,445	155,848	-2.26%	tCO_2e/million t-km	5.49	5.34	5.03
Scope 1 and 2 emissions (tCO_2)	449,293	483,931	420,277	-13.15%	tCO_2e/million t-km	14.93	16.20	13.58
We used the National Greenhouse Gas Emission Factors Database and the carbon emissions accounting standards for railway transport enterprises to determine the conversion factors and emission factors for the current period, and to comprehensively calculate our carbon emissions.								

We annually establish and publish energy consumption and emissions plans. Through multiple measures such as institutional standardization, performance appraisal, retrofitting and upgrades, and the application of technologies and equipment, we promote energy conservation and improve energy efficiency across all departments, protect and improve the environment, and contribute to achieving the goal of comprehensive, coordinated, and sustainable development of the economy and society.

As of December 31, 2025, Guangzhou Train Driving and Maintenance Division had a total of 129 diesel locomotives and 41 electric locomotives in service. The comprehensive energy consumption per unit of traction work for locomotives was 77.74 kg of standard coal per 10,000 gross ton-kilometers, representing a year-on-year decrease of 12.18%.

Indicators	Diesel locomotive			Electric locomotive		
	2023	2024	2025	2023	2024	2025
Diesel fuel (t)	46,484.25	46,946.74	47,707.56	———	———	———
Diesel unit traction energy consumption (kg/10,000 gross ton-km)	33.17	33.55	32.43	———	———	———
Electricity (10,000 kWh)	———	———	———	36,262.55	38,101.59	40,174.92
Electric unit traction energy consumption (kWh/10,000 gross ton-km)	———	———	———	139.15	133.75	138.81
Oil and grease consumption (t)	332.25	338.30	332.13	22.62	21.59	20.25

We have implemented measures to replace traditional energy vehicles with new energy vehicles. We and our stations have been equipped with 53 new energy vehicles. During the Reporting Period, these vehicles traveled approximately 747,000 kilometers, reducing carbon emissions by approximately 81.4 tons.

22 Circular economy

We actively practice the concept of circular economy and adopt multiple measures to improve resource utilization efficiency, including repairing and reusing waste materials, disposing of obsolete equipment through auctions (such as old steel rails and scrapped equipment), promoting digital office practices, implementing reclaimed water reuse, and carrying out waste sorting. In addition, we have widely promoted the online office system, electronic conference display screens, e-tickets, and e-invoices, significantly reducing paper consumption.

Although circular economy measures have not yet had a significant impact on our financial position, their development direction is highly aligned with the requirements in the *Implementation Plan for Promoting Low-Carbon Development in the Railway Industry* and *Railway Equipment Renewal and Upgrading Action Plan* that advocate the application of green and low-carbon technologies and the efficient circular utilization of existing equipment, helping to promote the sustainable development of the economy, society, and the environment.

23 Innovation as driver

Innovation as driver is a core issue for our sustainability strategy and is of critical significance in terms of both financial materiality and impact materiality. We actively implement the railway industry's innovation-driven development strategy, and undertake the industrialization and implementation of core technologies in key fields and key equipment. In the medium to long term, innovation as driver has a significant positive impact on our financial performance, helping to strengthen the foundation for safety, improve transport efficiency, and enhance economic returns. We and our stations are the source of demand and the main entities for the application of railway innovation. We are committed to applying advanced technical equipment, enhancing the technical level of transport services, strengthening safety assurance capabilities, and improving the innovation system, involving multiple stakeholders such as the government, investors, suppliers, employees, and customers, with a profound impact on the social economy. Meanwhile, innovation as driver provides technical support for building a low-carbon, environmentally friendly railway and reducing pollutant emissions, generating long-term positive effects on environmental sustainability.

Governance

We and our stations actively leverage railway innovation achievements to ensure transportation safety and stability, maximize the efficiency of existing railway networks, and sustain business growth. Our innovation-driven approach focuses on advancing scientific research projects, introducing key core technologies, and industrializing the application of critical equipment and facilities.

Strategy

We integrate innovation as driver into the modernization of the railway technology innovation system, ensuring that innovation supports the safe and efficient operation of railways. Our strategic objectives include steadily enhancing our overall technical capabilities, strengthening technological innovation capacity, and advancing industrial modernization along the railway supply chain.

Impact, risk, and opportunity

To thoroughly assess and proactively respond to the actual and potential impacts of innovation as driver on our business operations, we have identified key risks and opportunities associated with this strategy.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Risks in equipment use and maintenance	●The update of technical standards for railway equipment has imposed higher requirements on us ●Compatibility issues may arise between new and old equipment and systems ●Inadequate implementation of technical equipment application and operation and maintenance standards	●Triggering failures and accidents, resulting in transport delays ●Reduced operating revenue ●Cost increase due to introduction and maintenance of technical equipment	Short to medium term	Higher risk	●Strictly implement industry standards, and carry out end-to-end compliance inspections and upgrades for technical equipment ●Establish a standardized system for the operation and maintenance of intelligent equipment, and implement a smooth transition and switchover between new and existing equipment and systems ●Promote intelligent and digital operation and maintenance applications to achieve real-time monitoring of equipment status and full life cycle management

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Personnel risks	●The intelligent transformation of railways has generated demand for multidisciplinary talent, and the shortage of skilled R&D talent may increase. ●Insufficient training has led to non-standardized operations by personnel.	●Shortage of technical personnel constrains equipment operation and maintenance ●Unskilled operation triggers equipment failures ●Talent gaps undermine the implementation of innovation as driver	Short-term	General risk	●Strengthen the recruitment and cultivation of multidisciplinary talents ●Enhance specialized training on new technology equipment ●Improve the incentive mechanism for technical personnel, and expand technical career advancement channels
Transition risks					
Policy and legal risks	●Compliance requirements for the renewal and renovation of railway technical equipment and for standard upgrades has continued to increase.	●May miss out on policy support ●May affect equipment acceptance testing	Medium to long term	General risk	●Follow up on policy and technical standard requirements, and implement relevant work ●Include technological innovation and equipment renewal and upgrading in the Company's key work plan, and strengthen supervision and inspections ●Actively apply for projects to secure support from policy resources
Market risks	●High costs of technology industrialization ●Overly long technology innovation cycles and insufficient results	●Capital investment increases operating pressure ●Lagging technological innovation reduces market recognition ●Gaps in core technologies affect transport service capabilities and industry standing	Medium to long term	General risk	●Coordinate the budgeting and investment of funds for scientific and technological innovation, and prioritize the deployment of industry projects ●Collaborate with professional technical forces to share the costs of technology R&D and industrialization ●Accelerate the introduction and application of key technical equipment, and enhance the efficiency of transforming scientific and technological innovation achievements into practical applications

Opportunity	Description and impact	Timeframe
High-quality development	Innovation as driver is the core pathway for enterprises to break through development bottlenecks, activate endogenous growth momentum, and create long-term value. It can promote the optimized allocation of production factors, achieve all-round upgrades in technology, management, and models, and build a solid core foundation for high-quality development. If we can closely align with the railway industry's technology innovation requirements, accelerate the industrialization and implementation of technology innovation achievements, and carry out scientific research breakthroughs and process improvements closely related to transport operations, we can continuously improve transport efficiency and service quality, reduce operating costs, strengthen core competitiveness, further expand market space, and achieve a deep integration of green and intelligent transformation with improved operating performance, thereby empowering our high-quality development.	Medium to long term
Talent team development	We attach great importance to forging a high-quality technical team, attracting high-caliber talent, and building a premium platform for talent cultivation and	Medium to long term

	development. This has created a virtuous cycle of technology innovation-talent growth, thereby strengthening our talent foundation. If we can take the needs of railway sci-tech innovation as the orientation, improve the technical training system, and broaden channels for talent incentives and career development, we will be able to systematically enhance the overall capabilities of our workforce, cultivate multidisciplinary railway professionals, attract high-end technical talent in the industry, and build a high-quality talent team aligned with high-quality railway development, injecting sustained talent vitality into our development.	

Indicators and targets

We have continued to strengthen technological innovation and management innovation, clarified the division of responsibilities for the procurement, use, maintenance, and upgrade and renovation of technical equipment, and established and improved supporting management systems, management ledgers, and technical archives. Through a series of measures including scientific decision-making, financial support, employee training, introduction of new technologies and equipment, and R&D and breakthroughs in technology projects, we have comprehensively enhanced our innovation as driver capability and promoted our high-quality development.

In 2025, we completed 174 major overhaul projects and 257 fixed asset investment projects, including 48 fixed asset investment projects involving train operation safety. We and our stations participated in 25 R&D innovation and technology cooperation projects, filed 44 patent applications, and were granted 28 patents.

VII. Employee Rights & Benefits and Social Welfare

24 Employees

Employees are the core production factor and bearer of strategic value in our railway operations. The employee issue is a core issue with both financial materiality and impact materiality. From a financial perspective, labor costs are an important component of our operating costs. Employees' professional capabilities and operational efficiency directly affect operating cost control and input-output efficiency. A high-quality workforce can reduce hidden costs such as equipment operation and maintenance and operational errors, improve transport production efficiency, and translate into tangible financial benefits. At the same time, investment in talent development has also become an important financial deployment for our long-term value creation. At the impact level, employees' professional competence and standardized operating practices determine the safety and service quality of railway transport, directly reflecting the Company's market image. They are also the key vehicle for implementing innovation as driver and transforming technological achievements. Their cohesion and execution capability affect the efficiency of the Company's strategic advancement. At the same time, as a core stakeholder group, employee development is deeply bound to corporate development, directly relating to the Company's sustainable development capability and industry competitiveness.

Governance

The human resources management departments of the Company and each station primarily undertake responsibilities such as employee recruitment and job placement, performance appraisal and compensation and benefits management, training plans and career development, and the establishment of institutional norms and corporate culture. Meanwhile, trade union organizations at all levels promote the improvement of the labor relations coordination mechanism through means such as equal consultation and the collective contract system, safeguard employees' labor rights and interests, and are committed to building harmonious labor relations.

Strategy

Our human resources strategy is committed to building a high-quality workforce to support corporate transformation and upgrading and innovation-driven development, and to promote joint growth of the enterprise and employees, building a shared community with a common future. The Company focuses on strengthening the reserve and systematic development of professional and technical talent, improving relevant assessment and incentive systems, and achieving standardized and refined position allocation and performance management processes. We effectively safeguard employees' legitimate rights and interests, continuously improve organizational effectiveness, and strongly support the long-term goal of high-quality development of the railway business.

Impact, risk, and opportunity

To thoroughly assess and proactively respond to the actual and potential impacts of employees on our business operations, we have identified key risks and opportunities associated with workforce management.

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Physical risks					
Safety risks	●Personal safety incidents involving employees may be triggered under extreme weather, harsh environments, and other circumstances ●Personal safety incidents involving employees caused by non-standard operations	●Causing employee casualties ●Facing compensation and administrative penalties ●Damage to the Company's safety image	Short to medium term	Higher risk	●Implement the latest requirements for end-to-end safety governance, and strictly investigate violations in management, illegal command, non-compliant operations, and breaches of labor discipline ●Strengthen safety rectification of the operating environment, and improve on-site operational safety protection measures for extreme weather ●Enhance safety control over key positions and critical links in train operation, increase on-site inspection and supervision efforts, and carry out safety emergency drills
Health risks	●Frontline railway operations may pose occupational health risks to employees ●Extreme working conditions and high-intensity work can easily lead to physical and mental health issues among employees	●Employee health impairment leading to increased absenteeism rates and reduced job fit ●Increased medical expenses and workforce replacement costs ●Occupational health issues triggering labor disputes, affecting team cohesion	Medium to long term	General risk	●Establish a full-cycle employee occupational health management system, conduct regular medical examinations, and improve health records ●Provide labor protective equipment in accordance with standards, optimize the frontline working environment, and reduce occupational health risks ●Apply and promote intelligent and automated equipment, reasonably arrange work shifts, alleviate work intensity, and provide employee mental health counseling and intervention
Transition risks					

Risk type	Risk description	Business impact	Timeframe	Risk level	Responses
Policy and legal risks	●Stricter compliance requirements for labor and employment regulations ●The gradual delayed retirement policy has been implemented, increasing the difficulty of adapting employment management.	●Failure to comply may result in administrative penalties and compensation liability ●Delayed retirement leads to increased labor costs and an imbalanced age structure of employees ●Lagging adaptation of the career development system affects employment stability	Medium to long term	General risk	●Strictly implement the requirements of labor laws and regulations, and standardize end-to-end management of labor contracts, wage payments, and other processes ●Optimize the employee age structure and job allocation plans ●Improve employees' career development pathways to align with the delayed retirement policy and job requirements
Market risks	●Industry talent competition has intensified, and skills gaps have become more prominent ●Labor costs continue to rise ●Core technical talent is prone to turnover	●The employee skills gap affects operational efficiency ●Rising labor costs put pressure on the Company's performance ●Talent loss weakens innovation capabilities and may trigger labor disputes	Medium to long term	General risk	●Implement the railway New Eight-Level Skilled Worker System, improve the remuneration system of "Skill Level + Position Performance", and enhance the compensation and benefits for skilled professionals ●Strengthen the recruitment and development of multi-skilled talent to achieve "specialized expertise with multiple competencies" ●Optimize the workforce structure, uphold the compliance bottom line, and study the application of "unmanned and intelligent technologies" as substitutes

Opportunity	Description and impact	Timeframe
High-quality development	Employee management is a core driving force for enterprises to unlock human capital value, consolidate the foundation for development, and promote high-quality development. We advance the development of a community with a shared future between the enterprise and employees, transforming human resource advantages into development advantages and providing solid talent support for the implementation of corporate strategy. If we can improve the compensation system, optimize the labor structure, and strengthen employee training, we will be able to build a high-caliber, professional workforce, enhance operational efficiency and professional capabilities across all employees, ensure transport safety and service quality, and inject sustained talent momentum into our green and intelligent transformation and high-quality development.	Medium to long term
Career development	Scientific career development management can establish clear development pathways for employees, enabling the synchronized growth of employee value and corporate value. If we can further improve our employee career development system based on the development needs of the railway industry, enhance our incentive mechanisms, and broaden development pathways, we can systematically strengthen employees' professional competence and overall capabilities, build a high-caliber team of managerial and technical professionals, and provide solid support for high-quality corporate development.	Medium to long term

Indicators and targets

As of December 31, 2025, GSRC had altogether 36,269 employees. See the table below for details:

Information Table of GSRC Employees

Item	2023	2024	2025	Employee turnover rate (-) and increase rate (+) in 2025 compared with 2024 (Note)
Total number of employees	37,906	36,565	36,269	-0.81%
By gender				
- Male	28,509	27,857	27,629	-0.82%
- Female	9,397	8,708	8,640	-0.78%
By age				
- Below 30	8,861	7,876	6,939	-11.90%
- 31 to 40	11,395	12,341	12,943	+4.88%
- 41 to 50	8,334	7,802	7,705	-1.24%
- 51 and above	9,316	8,546	8,682	+1.59%
By education degree				
- Master’s degree and above	161	168	189	+12.50%
- Bachelor’s degree	5,237	5,320	5,334	+0.26%
- Junior college degree	16,895	17,248	17,335	+0.50%
- Other (secondary technical school, senior high school, vocational-technical school, etc.)	15,613	13,829	13,411	-3.02%
By region				
- Shenzhen (location of employer)	3,489	3,561	3,506	-1.54%
- Other regions (location of employer)	34,417	33,004	32,763	-0.73%
By specialty				
- Passenger and freight transport personnel	17,320	16,462	16,178	-1.73%
- Maintenance personnel	4,872	4,727	4,644	-1.76%
- Vehicle personnel	3,111	3,023	3,149	+4.17%
- Labor personnel	3,221	3,006	2,968	-1.26%
- Electric service personnel	1,815	1,915	1,884	-1.62%
- Power and water supply personnel	2,216	2,292	2,304	+0.52%
- Building construction personnel	1,274	1,262	1,251	-0.87%
- Staff of diversified operations and other subsidiaries	82	87	88	+1.15%
- Technical and administrative staff	3,995	3,791	3,803	+0.32%

Note: The turnover rate or growth rate was calculated by comparing the number of employees at the end of the year. The data are affected by factors such as employees age growth, natural death, statutory retirement, and adjustments of production and operation.

Recruitment and training

GSRC Recruitment (Dismissal) Status Table

Item	2023	2024	2025
Number of newly recruited graduates (persons)	685	1,145	839
Among them: master’s degree and postgraduate or above	9	32	46
University undergraduate graduate	167	159	175
Associate degree graduate	509	954	954
Employment of veterans (persons)	2	—	6
Termination and rescission of employment contracts in accordance with the law (persons)	127	62	53
- Proportion of the total number of employees for the year	0.34%	0.17%	0.15%

The Company did not engage in any child labor or forced labor practices.

GSRC Training Information Table

Item	2023	2024	2025
Organized various types of training sessions in total (person-times)	785,442	811,485	741,813
Including: Training on safety regulations	191,236	216,565	200,571
Off-job training for main types of driving work	18,508	13,444	19,613
Qualification training	8,145	8,870	7,740

Item	2023	2024	2025
Factory leader training	2,684	1,989	2,977
Technical competition and post training	271,335	268,281	216,931
Continuing education	13,094	9,948	7,568
Miscellaneous	280,440	292,388	286,413
Senior managers of GSRC (persons)	6	7	7
Leaders of railway sections (persons)	172	162	175
Other middle-level managers	1,587	1,661	1,595
Average training hours for senior managers (hours)	99	143	98
Average training hours for leaders of railway sections (hours)	198	163	165
Average training hours for other middle-level managers (hours)	151	142	154
Full-time management personnel for vocational education	102	97	92
Education expenditure (RMB10,000)	5,424	7,444	9,778

Training was conducted in accordance with workplace safety, vocational skills qualifications, job requirements, and career development planning. No statistics on the number of participants or training hours were compiled by gender.

Honors Received by Groups of GSRC in 2025 (National Railway and Provincial/Ministerial Level)

<table>
<tr><th>Team</th><th>Affiliated unit</th><th>Honor awarded</th></tr>
<tr><td>Guangshen Railway Company Limited</td><td>Headquarters</td><td>2025 Fortune China 500 Enterprises
2025 Shenzhen Top 500 Enterprises
2024-2025 Title of Shenzhen Headquarters Enterprise
National Advanced Collective in Railway Confidential Cryptographic Work</td></tr>
<tr><td>Guangzhou-Kowloon Train Onboard Service Division</td><td>Guangzhou-Kowloon Train Onboard Service Division</td><td rowspan="2">National Civilized Unit</td></tr>
<tr><td>Guangzhou Train Onboard Service Division</td><td>Guangzhou Train Onboard Service Division</td></tr>
<tr><td>Guangzhou Carriage Maintenance Division for Passenger Train</td><td>Guangzhou Carriage Maintenance Division for Passenger Train</td><td rowspan="3">National Railway Civilized Unit(s)</td></tr>
<tr><td>Guangzhou Telecommunication and Signal Depot</td><td>Guangzhou Telecommunication and Signal Depot</td></tr>
<tr><td>Guangzhou Railway Building Maintenance Division</td><td>Guangzhou Railway Building Maintenance Division</td></tr>
<tr><td>Team 4 of Dalang Railway Station</td><td>Jiangcun Railway Station</td><td rowspan="4">Railway Federation “Locomotive Medal”</td></tr>
<tr><td>5T Operations Workshop</td><td>North Guangzhou Carriage Maintenance Division for Cargo Train</td></tr>
<tr><td>Shenzhen Railway OCS & Power Supply Maintenance Division</td><td>Shenzhen Railway OCS & Power Supply Maintenance Division</td></tr>
<tr><td>Passenger Transport Workshop No. 2</td><td>Stations in South Guangzhou</td></tr>
<tr><td>“Winter Jasmine” Service Team of Stations in Shenzhen</td><td>Stations in Shenzhen</td><td>National Model Post for Learning from Lei Feng
Guangdong Province Model Collective Post for Learning from Lei Feng</td></tr>
<tr><td>CTC/TDCS Room Dispatching and Maintenance Center</td><td>Guangzhou Telecommunication and Signal Depot</td><td>National Railway Youth Civilization Unit</td></tr>
<tr><td>Youth League Committee of Guangzhou Mini Service Division for Railway Station</td><td>Guangzhou Mini Service Division for Railway Station</td><td>National Railway “May Fourth” Red Flag Youth League Committee</td></tr>
<tr><td>Guangshen EMU Team Youth League Branch</td><td>Guangzhou-Kowloon Train Onboard Service Division</td><td rowspan="3">National Railway “May Fourth” Red Flag Youth League Branch</td></tr>
<tr><td>Tianhe Signal Workshop Youth League Branch</td><td>Guangzhou Telecommunication and Signal Depot</td></tr>
<tr><td>Shaoguan East Bridge and Tunnel Workshop</td><td>Guangzhou Track</td></tr>
</table>

Team	Affiliated unit	Honor awarded
Youth League Branch	Maintenance Division	
Upward Section Workshop Youth League Branch	Jiangcun Railway Station	
Youth League General Branch of Shaoguan Operations Workshop	Guangzhou Train Driving and Maintenance Division	
Youth League Branch No. 3 of Passenger Transport Workshop No. 2	Stations in South Guangzhou	
Youth League Branch of the Dispatching Workshop	Jiangcun Railway Station	National Railway Advanced Youth League Branch for Safe Production
Youth League General Branch of Shaoguan Operations Workshop	Guangzhou Train Driving and Maintenance Division	National Railway Spring Festival Duty Competition Advanced Collective(s)
Passenger Service Team No. 1 of Passenger Transport Workshop No. 1	Stations in South Guangzhou	
High-Speed Railway EMU Team 1	Guangzhou-Kowloon Train Onboard Service Division	National Demonstration Site for Railway Service Culture Development
Passenger Transport Workshop 2, Passenger Transport Team 3	Stations in South Guangzhou	National Railway Youth Safe Production Demonstration Post
Stations in Shenzhen	Stations in Shenzhen	National Railway Advanced Collective for Flood Prevention Work
Guangzhou Mini Service Division for Railway Station	Guangzhou Mini Service Division for Railway Station	National Railway Benchmark Station Section
Party Committee of Guangzhou Train Onboard Service Division	Guangzhou Train Onboard Service Division	National Railway Work on Caring for the Next Generation Advanced Collective(s)
"Little Rainbow" Volunteer Service Team	Stations in South Guangzhou	National Railway Outstanding Volunteer Organization(s)

Honors Received by Individuals of GSRC in 2025 (National Railway and Provincial/Ministerial Level)

Individual	Affiliated unit	Honor awarded
Yang Xuetong	Guangzhou-Kowloon Train Onboard Service Division	National Model Worker
Lei Qian	Guangzhou-Kowloon Train Onboard Service Division	National Outstanding Communist Youth League Cadre
Li Yuan	Stations in Shenzhen	The Seventh "Most Beautiful Railway Workers"
Liu Yang	Guangzhou–Shenzhen Logistics Center	Railway Federation "Locomotive Medal"
Liu Jiayu	Stations in Guangzhou	
Fu Xiao, Zhao Liang	Guangzhou Train Driving and Maintenance Division	
Xie Linjun, Wang Yong	Stations in Shenzhen	
You Chengxi, He Yuhai	Guangzhou Railway OCS & Power Supply Maintenance Division	
Wang Youfa	Guangzhou Train Driving and Maintenance Division	National Railway Craftsman
Lin Zhibin	Guangzhou Train Driving and Maintenance Division	National Railway Technical Expert
Huang Jintao, Liang Yunru, Zhao Xinghua	Guangzhou Railway OCS & Power Supply Maintenance Division	
Huang Wei	Guangzhou Train Driving and Maintenance Division	National Model Female Railway Worker
Zou Yingying	Guangzhou-Kowloon Train Onboard Service Division	National Railway Youth Post Expert
Chen Yingzhao, Yan Lei, Peng Wei, Luo Xiong, Zhong Zerong, Yu Jinsheng	North Guangzhou Carriage Maintenance Division for Cargo Train	
Li Mingquan, Li Peng, Liu Dehong	Guangzhou Telecommunication and Signal Depot	
Lin Haoyuan	Jiangcun Railway Station	
Xiao Ziyi	Stations in South Guangzhou	

<table>
<tr><th>Individual</th><th>Affiliated unit</th><th>Honor awarded</th></tr>
<tr><td>Yan Dongxiang</td><td>Guangzhou Telecommunication and Signal Depot</td><td rowspan="2">National Railway Outstanding Communist Youth League Member</td></tr>
<tr><td>Wu Di</td><td>Guangzhou Train Driving and Maintenance Division</td></tr>
<tr><td>Peng Yinghui</td><td>Guangzhou-Kowloon Train Onboard Service Division</td><td>National Railway Outstanding Youth League Cadre</td></tr>
<tr><td>Chen Yingzhao</td><td>North Guangzhou Carriage Maintenance Division for Cargo Train</td><td>Outstanding Young Role Model of Integrity and Virtue in the National Railway System</td></tr>
<tr><td>Peng Yinghui</td><td>Guangzhou-Kowloon Train Onboard Service Division</td><td rowspan="3">National Railway Outstanding Individual of Spring Festival Duty Competition</td></tr>
<tr><td>Jin Weiru</td><td>Guangzhou Train Driving and Maintenance Division</td></tr>
<tr><td>Jiang Minxue</td><td>Stations in South Guangzhou</td></tr>
<tr><td>Jiang Danni, Yang Shaobo, Ge Rui</td><td>Stations in South Guangzhou</td><td>National Railway Outstanding Volunteer(s)</td></tr>
</table>

Compensation package

We uphold the philosophy of "development relies on employees, serves employees, and shares development outcomes with employees". We have established a scientific and reasonable compensation system, closely linking employee remuneration with our economic benefits, labor efficiency, and individual performance, thereby achieving a close linkage between total compensation and the Company's operating results. We attach great importance to protecting employee rights and interests. We sign collective contracts and individual labor contracts, pay social insurance and housing provident fund for employees in accordance with the law, and establish comprehensive welfare mechanisms such as enterprise annuities and supplementary medical insurance, to ensure that employees received comprehensive support and effective protection in terms of job promotion, working hours, equal opportunities, diversified development, anti-discrimination protection, leave systems, and other treatment and benefits.

Employee care

We implement various initiatives to improve employees' working and living conditions, fostering a shared destiny between the company and employees.

1. We enforce the *Employee Health Management Action Plan (2023-2025)*. During the Reporting period, we organized medical examinations for employees a total of 35,245 person-times, including 13,125 person-times for occupational medical examinations, 16,505 person-times for health checkups, and 5,615 person-times for female employees' gynecological examinations. We also strengthened health management for high-risk employees, equipped stations and key production operation sites with automated external defibrillator (AED) devices, and carried out activities such as health promotion sessions, first-aid training, psychological counseling, and recuperation leave.

2. The Company promoted the application of technological equipment such as drone inspections, high-definition video surveillance, handheld digital information terminals, and intelligent fault monitoring. We also built transportation and production supporting facilities such as a safe production command center, a shared crew center, a smart locomotive dispatching room, and a high-fidelity operation training center. We researched and explored the use of AI-based operation recording analysis, VR real-scene emergency command technology, and high-altitude operation robots, enabling frontline employees to further improve operational efficiency, reduce labor intensity, and safeguard personal safety.

3. We advanced the development of standardized apartments, smart employee dormitories, and high-quality employee canteens. Our Guangzhou Railway Building Maintenance Division completed the construction of four new transportation operation apartments, three single dormitories, and four

employee canteens, and renovated two single dormitories, creating a better working and living environment for employees.

4. We established an employee health, cultural, and sports activity center and organized a wide range of employee cultural and sports activities, including employee sports meets, tug-of-war competitions, choir competitions, hiking and mountain climbing, group movie viewings, and employee calligraphy and painting exhibitions.

5. We visited and extended support to employees in difficulty on 4,159 occasions, and used the railway industry assistance and relief fund to provide financial support to employees on 4,925 occasions.

25 Social contributions and rural revitalization

The Company remains committed to delivering shareholder returns through long-term and stable cash dividends, actively supports rural revitalization and public welfare initiatives, and promotes sustainable economic and social development while ensuring our sound development and continued returns to investors. While these activities do not have a major financial impact on company performance, they play a crucial role in fostering economic and social progress within our service regions.

During the Reporting Period, we successfully implemented the 2024 annual cash dividend distribution, paying a cash dividend of RMB0.07 per share (tax inclusive), totaling approximately RMB496 million. Since our listing in 1996, we have implemented 26 annual cash dividend distributions, with cumulative cash dividends totaling RMB13.2 billion and a dividend payout ratio of 63%.

The Company actively supported rural revitalization. In 2025, we dispatched three support personnel to Longjing Town, Qingyuan City, and Lianjiang City to help introduce industrial resources, develop tourism projects, and organize technical training courses. During the Reporting Period, we invested RMB2.32 million in consumption-based assistance, purchasing 267,000 kg of rice, 1,325 kg of tea, and 1,770 kg of lychees from the assisted areas.

The Company actively engaged in social welfare initiatives by establishing service stations for outdoor workers near key operational sites. We cumulatively organized various volunteer activities involving approximately 43,000 participants. One group was recognized as a National Railway Outstanding Volunteer Organization, and three employees were recognized as National Railway Outstanding Volunteers. Our employees donated approximately RMB2.06 million to the Railway Industry Support and Assistance Fund.

Appendix

Sustainability Issue Index

Dimension	No.	Issue	Corresponding Chapter
Environmental	1	Response to climate change	VI.19
	2	Pollutant emissions	VI.20
	3	Waste management	VI.20
	4	Ecosystem and biodiversity protection	VI.20
	5	Environmental compliance management	VI.20
	6	Energy utilization	VI.21
	7	Water resource utilization	VI.20
	8	Circular economy	VI.22
Social	9	Rural revitalization	VII.25
	10	Social contribution	VII.25
	11	Innovation as driver	VI.23
	12	Technology ethics	V.18
	13	Supply chain security	V.16
	14	Equal treatment of SMEs	IV13
	15	Product and service safety and quality	V.15
	16	Data security and customer privacy protection	V.17
	17	Employees	VII.24
Sustainable governance	18	Due diligence	II.05
	19	Stakeholder communication	IV.11
	20	Anti-commercial bribery and anti-corruption	IV.12
	21	Anti-unfair competition	IV.14

Key Performance Table

Indicators	2023	2024	2025
Total assets (RMB100 million)	372.35	365.67	369.42
Operating income (RMB100 million)	261.95	270.90	286.86
Net profit attributable to shareholders of the listed company (RMB100 million)	10.58	10.60	14.26
Basic earnings per share (RMB/share)	0.15	0.15	0.20
Comprehensive energy consumption (tce)	141,879.89	148,276.74	145,670.18