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京 投 軌 道 交 通 科 技 控 股 有 限 公 司

BII Railway Transportation Technology Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1522)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “Board”) of directors (the “Directors”) of BII Railway Transportation Technology Holdings Company Limited (the “Company”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 (“FY2024”, the “Period”) prepared in accordance with the IFRS Accounting Standards, together with the comparative figures for the year ended 31 December 2023 (“FY2023”).

The financial information of the Group for the Period prepared in accordance with the IFRS Accounting Standards are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the year ended 31 December 2024 (Expressed in Hong Kong dollars)*

		2024	2023
	<i>Note</i>	HK\$'000	HK\$'000
Revenue	3	1,656,773	1,637,181
Cost of sales		<u>(1,037,086)</u>	<u>(1,046,174)</u>
Gross profit		619,687	591,007
Other income and other gains/losses		21,790	38,538
Selling, general and administrative expenses		(266,556)	(266,163)
Impairment loss on trade, bills and other receivables and contract assets, net		(13,447)	(7,403)
Research and development expenses		<u>(159,599)</u>	<u>(170,762)</u>
Profit from operations		201,875	185,217
Finance costs	4(a)	(9,884)	(10,456)
Share of results of joint ventures and associates		21,888	21,627
Fair value changes in other financial assets		<u>(7,597)</u>	<u>7,505</u>
Profit before taxation	4	206,282	203,893
Income tax	5	<u>(26,775)</u>	<u>(18,165)</u>
Profit for the year		<u>179,507</u>	<u>185,728</u>
Attributable to:			
Equity shareholders of the Company		167,604	174,313
Non-controlling interests		<u>11,903</u>	<u>11,415</u>
Profit for the year		<u>179,507</u>	<u>185,728</u>
Earnings per share			
Basic and diluted (HK\$)	6	<u>0.080</u>	<u>0.083</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024 (Expressed in Hong Kong dollars)

	2024 HK\$'000	2023 HK\$'000
Profit for the year	179,507	185,728
Other comprehensive income/(expense) for the year, net of tax:		
Item that will not be reclassified to profit or loss:		
Other financial assets designated at fair value through other comprehensive income		
Change in fair value	6,578	60,248
Tax effect	(987)	(9,037)
	5,591	51,211
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(65,853)	(65,428)
Other comprehensive expense for the year	(60,262)	(14,217)
Total comprehensive income for the year	119,245	171,511
Attributable to:		
Equity shareholders of the Company	119,606	161,811
Non-controlling interests	(361)	9,700
Total comprehensive income for the year	119,245	171,511

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024 (Expressed in Hong Kong dollars)

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		258,100	223,083
Intangible assets		181,559	195,606
Goodwill		543,944	555,853
Interests in joint ventures and associates		385,430	380,125
Other financial assets		197,387	202,735
Deferred tax assets		33,536	29,026
		1,599,956	1,586,428
Current assets			
Inventories		451,136	363,756
Contract assets	7(a)	735,056	714,262
Trade and other receivables	8	1,285,764	1,146,043
Tax recoverable		–	1,064
Cash and cash equivalents		761,204	697,130
		3,233,160	2,922,255
Current liabilities			
Trade and other payables	9	1,356,920	1,139,474
Contract liabilities	7(b)	38,604	45,800
Bank borrowings		101,507	76,421
Other borrowings		28,262	255,000
Lease liabilities		18,287	14,074
Current taxation		27,043	24,867
Provision for warranties		5,165	4,952
		1,575,788	1,560,588
Net current assets		1,657,372	1,361,667
Total assets less current liabilities		3,257,328	2,948,095

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2024 (Expressed in Hong Kong dollars)*

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Other borrowings		255,000	–
Lease liabilities		20,243	24,835
Contingent considerations		1,955	1,998
Deferred tax liabilities		33,690	38,084
Deferred income		1,296	–
Provision for warranties		4,201	4,329
		316,385	69,246
NET ASSETS		2,940,943	2,878,849
CAPITAL AND RESERVES	<i>10</i>		
Share capital		20,971	20,971
Reserves		2,754,630	2,686,847
Total equity attributable to equity shareholders of the Company		2,775,601	2,707,818
Non-controlling interests		165,342	171,031
TOTAL EQUITY		2,940,943	2,878,849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1 GENERAL INFORMATION

BII Railway Transportation Technology Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 7 January 2011 as an exempted company with limited liability under the Companies Law (2011 Revision), Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Room 2502, 25F, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Hong Kong.

The shares of the Company were listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 May 2012. The listing of the Company’s shares was transferred from the GEM to the Main Board of the Stock Exchange on 6 December 2013.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures and associates.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in equity securities; and
- contingent considerations.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these consolidated financial statements for the current accounting period:

- Amendments to IAS 1, Presentation of financial statements: Classification of liabilities as current or non-current
- Amendments to IAS 1, Presentation of financial statements: Non-current liabilities with covenants
- Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback
- Amendments to IAS 7, Statement of cash flows and IFRS 7, Financial instruments: Disclosures: Supplier finance arrangements

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are (i) provision of hardware and software products and services of high-speed railways, intercity railways, suburban railways and metro system; (ii) provision of hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance; (iii) provision of information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs; and (iv) investment in the railway transportation and infrastructure areas through investing in equity.

(i) Disaggregation of revenue

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service lines		
– Revenue from intelligent passenger information services	755,912	770,937
– Revenue from data and integration services	515,589	577,432
– Revenue from intelligent infrastructure	385,272	288,812
	<u>1,656,773</u>	<u>1,637,181</u>

For the year ended 31 December 2024, revenues from transactions with one customer (2023: nil customer) arose from intelligent passenger information services segment has exceeded 10% of the Group's revenue:

	2024 HK\$'000	2023 HK\$'000
Customer A	<u>176,619</u>	<u>N/A^(Note)</u>

Note: The corresponding revenue does not contribute over 10% of the total revenue of the Group.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK\$3,226,263,000 (2023: HK\$2,533,401,000). This amount represents revenue expected to be recognised in the future from intelligent passenger information services contracts, data and integration services contracts and intelligent infrastructure contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 1 to 48 months (2023: next 1 to 48 months).

The above amount does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's service contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

The Group manages its businesses by business lines in a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessments. The Group has presented the following four reportable segments:

- Intelligent passenger information services: this segment provides hardware and software products and services of high-speed railways, intercity railways, suburban railways and metro system.
- Data and integration services: this segment provides hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance.
- Intelligent infrastructure: this segment provides information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs.
- Business development investment: this segment manages the equity investments in railway transportation and infrastructure areas.

No operating segments have been aggregated to form the above reportable segments.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the costs incurred by those segments. The management is provided with segment information concerning inter-segment sales, inter-segment sales are priced with reference to prices charged to external parties for similar orders. The measure used for reporting segment profit is gross profit. The Group's other income and expense items, such as other income and other gains/losses, selling, general and administrative expenses, impairment loss on trade, bills and other receivables and contract assets, net, research and development expenses, finance costs, fair value changes in other financial assets, and fair value changes on contingent considerations, are not allocated to individual segments.

There were no separate segment assets and segment liabilities information provided to the Group's senior executive management, as they do not use this information to allocate resources to or evaluate the performance of the operating segments.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	2024				
	Intelligent passenger information services <i>HK\$'000</i>	Data and integration services <i>HK\$'000</i>	Intelligent infrastructure <i>HK\$'000</i>	Business development investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition					
Point in time	735,385	417,540	72,953	–	1,225,878
Over time	20,527	98,049	312,319	–	430,895
Revenue from external customers	755,912	515,589	385,272	–	1,656,773
Inter-segment revenue	6,065	5,379	2,513	–	13,957
Reportable segment revenue	<u>761,977</u>	<u>520,968</u>	<u>387,785</u>	<u>–</u>	<u>1,670,730</u>
Reportable segment profit	<u>325,111</u>	<u>101,908</u>	<u>192,668</u>	<u>–</u>	<u>619,687</u>
Share of results of joint ventures and associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>21,888</u>	<u>21,888</u>
	2023				
	Intelligent passenger information services <i>HK\$'000</i>	Data and integration services <i>HK\$'000</i>	Intelligent infrastructure <i>HK\$'000</i>	Business development investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition					
Point in time	724,706	458,327	64,556	–	1,247,589
Over time	46,231	119,105	224,256	–	389,592
Revenue from external customers	770,937	577,432	288,812	–	1,637,181
Inter-segment revenue	13,667	13,014	20,269	–	46,950
Reportable segment revenue	<u>784,604</u>	<u>590,446</u>	<u>309,081</u>	<u>–</u>	<u>1,684,131</u>
Reportable segment profit	<u>294,595</u>	<u>136,268</u>	<u>160,144</u>	<u>–</u>	<u>591,007</u>
Share of results of joint ventures and associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>21,627</u>	<u>21,627</u>

(ii) *Reconciliation of reportable segment profit or loss*

	2024 HK\$'000	2023 HK\$'000
Reportable segment profit	619,687	591,007
Share of results of joint ventures and associates	21,888	21,627
Other income and other gains/losses	21,790	38,538
Selling, general and administrative expenses	(266,556)	(266,163)
Impairment loss on trade, bills and other receivables and contract assets, net	(13,447)	(7,403)
Research and development expenses	(159,599)	(170,762)
Finance costs	(9,884)	(10,456)
Fair value changes in other financial assets	(7,597)	7,505
	<u>206,282</u>	<u>203,893</u>
Profit before taxation		

(iii) *Geographic information*

Disaggregation of revenue from contracts with customers by geographical location of customers is as follows:

	2024 HK\$'000	2023 HK\$'000
– Mainland China	1,596,171	1,561,723
– Hong Kong	25,389	24,688
– Overseas	35,213	50,770
	<u>1,656,773</u>	<u>1,637,181</u>

The Group's non-current assets, including property, plant and equipment, intangible assets, goodwill and interests in joint ventures and associates, are substantially all located or allocated to operations located in Mainland China.

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) **Finance costs**

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	2,706	3,447
Interest on other borrowings	5,319	4,969
Interest on lease liabilities	1,859	2,040
	<u>9,884</u>	<u>10,456</u>

(b) Staff costs

	2024 HK\$'000	2023 <i>HK\$'000</i>
Salaries, wages and other benefits	262,509	275,497
Contributions to defined contribution retirement plans	28,094	21,247
	290,603	296,744

The employees of the subsidiaries of the Group established in The People's Republic of China (the "PRC") participate in a defined contribution retirement benefit scheme managed by the local government authority, whereby these subsidiaries are required to contribute to the scheme at a rate of 16% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in Mainland China, from the above mentioned retirement scheme at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed by the Group's subsidiaries incorporated in Hong Kong under a trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(c) Other items

	2024 HK\$'000	2023 <i>HK\$'000</i>
Auditors' remuneration:		
– audit services	1,372	1,389
– other services	588	595
Amortisation of intangible assets	20,587	23,454
Depreciation charge		
– owned property, plant and equipment	29,013	37,669
– right-of-use assets	11,647	25,387
Cost of inventories (<i>Note</i>)	687,237	753,714
Increase in provision for warranties	7,224	2,992
Impairment loss on trade, bills and other receivables and contract assets, net	13,447	7,403
Impairment of prepayment	–	2,148
Expense relating to short-term leases, which not included in the measurement of lease liabilities	909	5,357
Net loss on disposal of property, plant and equipment	202	27

Note:

Cost of inventories includes HK\$90,584,000 (2023: HK\$83,636,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 4(b) for each of these types of expenses.

5 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2024 HK\$'000	2023 HK\$'000
Current taxation – The PRC Enterprise Income Tax (“EIT”):		
– Provision for the year	29,089	18,289
– Withholding tax on dividend income	3,467	8,463
	<u>32,556</u>	<u>26,752</u>
Current taxation – Hong Kong Profits Tax:		
– Provision for the year	1,060	1,111
– Over-provision for in prior years	(177)	(227)
	<u>883</u>	<u>884</u>
Current taxation – India Profits Tax:		
– Provision for the year	3,157	347
	<u>3,157</u>	<u>347</u>
Deferred taxation:		
– Origination and reversal of temporary differences	(9,821)	(9,818)
	<u>26,775</u>	<u>18,165</u>

6 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2024 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$167,604,000 (2023: HK\$174,313,000) and the weighted average of 2,097,147,000 ordinary shares (2023: 2,097,147,000 ordinary shares) in issue during the year.

The Group has no dilutive ordinary shares outstanding for the year ended 31 December 2024 and 2023. Therefore, there was no difference between basic and diluted earnings per share.

7 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract assets		
Arising from performance under contracts with customers	783,893	763,482
Less: loss allowance	(48,837)	(49,220)
	<u>735,056</u>	<u>714,262</u>
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" (Note 8)	<u>983,954</u>	<u>806,874</u>

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's service contracts include payment schedules which require stage payments over the service period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The Group typically agrees to a one to three years retention period after the performance of sales contracts, during which credit term may be granted to customers for retentions receivable, depending on the market practice of the industry and credit assessment carried out by management on an individual customer basis.

The amount of contract assets that is expected to be recovered after more than one year is HK\$78,432,000(2023: HK\$134,204,000), all of which relates to retentions.

(b) Contract liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract liabilities		
Service contracts		
– Billings in advance of performance	<u>38,604</u>	<u>45,800</u>

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit.

Movements in contract liabilities

	2024 HK\$'000	2023 HK\$'000
Balance at 1 January	45,800	39,702
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(45,499)	(39,358)
Increase in contract liabilities as a result of billing in advance of service	39,190	46,059
Exchange adjustments	(887)	(603)
Balance at 31 December	<u>38,604</u>	<u>45,800</u>

The amount of contract liabilities expected to be recognised as income within one year is HK\$38,604,000 (2023: HK\$45,800,000).

8 TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Trade receivables	1,031,338	843,551
Bills receivable	<u>230,281</u>	<u>263,771</u>
	1,261,619	1,107,322
Less: loss allowance	<u>(47,981)</u>	<u>(37,573)</u>
Trade and bills receivables, net of loss allowance	<u>1,213,638</u>	<u>1,069,749</u>
Prepayments, deposits and other receivables	65,681	72,780
Less: loss allowance	<u>(9,980)</u>	<u>(8,821)</u>
	<u>55,701</u>	<u>63,959</u>
Value-added tax recoverable	<u>16,425</u>	<u>12,335</u>
	<u>1,285,764</u>	<u>1,146,043</u>

All of the trade and other receivables are expected to be settled or recognised as expenses within one year.

As at 31 December 2024, trade and bills receivables amounted to HK\$28,262,000 (2023: Nil) have been pledged as security for the Group's other borrowings.

As of the end of the reporting period, the ageing analysis of trade receivables and bills receivables, based on the invoice date after loss allowance, is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Within 1 year	974,117	869,741
Over 1 year	239,521	200,008
	<u>1,213,638</u>	<u>1,069,749</u>

All trade receivables are due for payment upon issuance of demand note and all bills receivable are with a mandatory period of less than one year.

9 TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 <i>HK\$'000</i>
Trade payables	1,016,485	845,980
Bills payable	77,081	70,532
Trade and bills payables	1,093,566	916,512
Accrued expenses and other payables	123,804	106,954
Consideration payable for acquisition of non-controlling interests	–	607
Consideration payable for acquisition of a subsidiary	80,730	82,498
Other taxes payables	58,820	32,903
	<u>1,356,920</u>	<u>1,139,474</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the maturity date, is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Due within 1 month or on demand	1,026,820	867,007
Due after 1 month but within 6 months	66,746	49,505
	<u>1,093,566</u>	<u>916,512</u>

10 CAPITAL AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2024 HK\$'000	2023 HK\$'000
Final dividend proposed after the end of the reporting period of HK\$2.4 cents (2023: HK\$2.5 cents) per ordinary share	<u>50,332</u>	<u>52,429</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends to equity shareholders of the Company attributable to the previous financial year, approved during the current year

	2024 HK\$'000	2023 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$2.5 cents (2023: HK\$2.6 cents) per ordinary share	<u>52,429</u>	<u>54,526</u>

(b) Share capital

Authorised and issued share capital

	2024		2023	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<u>5,000,000,000</u>	<u>50,000</u>	<u>5,000,000,000</u>	<u>50,000</u>
Issued and fully paid:				
At 1 January and 31 December	<u>2,097,146,727</u>	<u>20,971</u>	<u>2,097,146,727</u>	<u>20,971</u>

11 EVENTS AFTER THE REPORTING PERIOD

On 27 March 2025, the Group disposed all 49% of its interests in joint venture, Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司), in consideration of RMB68,332,215 (equivalent to approximately HK\$73,789,701).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS ENVIRONMENT

The Company primarily focuses on application scenarios such as railway transportation and intelligent infrastructure. After more than ten years of development, the Group has formed a business structure with three major segments, including intelligent passenger information services business, data and integration services business, and intelligent infrastructure business, among which the railway transportation business is the Company's most important source of revenue. Therefore, the development trend of the railway transportation industry is closely related to the Company's micro business environment.

In 2024, the railway transportation industry in Mainland China continued its steady development trend, with stable growth in investment, passenger flow and other indicators. In terms of railway lines in Mainland China, according to the data of China State Railway Group, fixed-asset in national railway construction investment amounted to approximately RMB850.6 billion, representing a year-on-year increase of approximately 11.3%; and the aggregate passenger volume by railway was approximately 4.08 billion, representing an increase of approximately 10.8% as compared to the same period last year. In terms of urban railway lines in Mainland China, according to data of China Association of Metros, a total of 25 cities in Mainland China launched new lines, sections or extensions in urban railway transportation throughout 2024, resulting in a year-on-year increase of 953.04 kilometres, or approximately 7.7%, in operational railway lines. According to preliminary estimates, the total passenger volume based on the all types of passenger ticketing system will exceed approximately 32.0 billion in 2024, reaching new heights. Globally, research data show that the total operating mileage of urban railways reached 44,730.1 kilometres in 2024, representing a year-on-year increase of 3.1%. In particular, the total operating mileage of urban railways in Mainland China accounted for approximately 28.7% of the global total, ranking first in the world, with a growth rate that continues to exceed the global average.

Overall, the railway transportation industry experienced steady development in 2024, providing a relatively favourable external environment for the Company. However, in terms of the Company's micro operations, it continues to face a series of complex challenges. With the increasing integration of the railway transportation industry, new players with abundant resources and innovative models are constantly entering the market, intensifying competition and impacting the existing market landscape. This has certainly posed challenges to market expansion and market share consolidation. Meanwhile, the railway transportation industry is undergoing a business transition from "traditional infrastructure" to "digital new infrastructure", with cutting-edge technologies such as artificial intelligence, cloud computing and big data reshaping the industry ecosystem and fostering new quality productive force. The integration and application of new technologies and traditional business have become a new concern in the industry, raising requirements for companies' capabilities of technological implementation and transformation. In the face of these challenges, the Company will continue to maintain a prudent attitude, and adopt a steady approach to move along with the trend curve.

BUSINESS OVERVIEW

In 2024, the Group actively explored domestic and overseas markets and ensured the timely delivery of projects. The Group's overall operating results remained stable as compared to the corresponding period of the previous year. In 2024, the Group recorded revenue of HK\$1,656.8 million, representing a year-on-year increase of approximately 1.2% (equivalent to approximately RMB1,511.3 million of revenue recorded in 2024, representing a year-on-year increase of approximately 2.4%). Gross profit margin was approximately 37.4%, representing a year-on-year increase of approximately 1.3 percentage points. Profit attributable to equity shareholders amounted to approximately HK\$167.6 million, representing a year-on-year decrease of approximately 3.8% (equivalent to approximately RMB152.9 million of the profit attributable to equity shareholders recorded in 2024, representing a year-on-year decrease of approximately 2.7%).

In 2024, the Group adhered to its market strategy of “relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets”. The Group has expanded into overseas markets in Egypt, Chile, the Netherlands and the Philippines for the first time. The Group continued to broaden its business footprint, reaching a total of 55 cities in Mainland China and 32 cities in 20 overseas countries and regions. As at the end of 2024, the Group's orders on hand amounted to approximately HK\$3.23 billion, representing a significant year-on-year increase of approximately 27.4%, securing a stable source of revenue for the future.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK\$1,656.8 million in FY2024, representing an increase of approximately 1.2% as compared with FY2023 (FY2023: approximately HK\$1,637.2 million). Revenue was mainly derived from the three core businesses: intelligent passenger information services business, data and integration services business and intelligent infrastructure business, which amounted to approximately HK\$755.9 million, HK\$515.6 million and HK\$385.3 million respectively, accounting for approximately 45.6%, 31.1% and 23.3%, respectively, of the total revenue.

Revenue derived from the intelligent passenger information services business for the Period was approximately HK\$755.9 million, representing a decrease of approximately HK\$15.0 million or approximately 1.9% as compared with the same period last year, mainly due to a slight change in revenue for the Period resulting from varying progress cycles of key projects.

Revenue derived from the data and integration services business for the Period was approximately HK\$515.6 million, representing a decrease of approximately HK\$61.8 million or approximately 10.7% as compared with the same period last year, mainly due to the overall small scale of key projects that reached the revenue recognition point during the Period.

Revenue derived from the intelligent infrastructure business for the Period was approximately HK\$385.3 million, representing an increase of approximately HK\$96.5 million or approximately 33.4% as compared with the same period last year. The surge was mainly due to the consolidated revenue recognition of key projects during the Period, namely the new airport expressway project.

By geographical region, the Group mainly operates its businesses in Mainland China. In FY2024, the Group recorded revenue of approximately HK\$1,596.2 million in Mainland China, representing an increase of approximately HK\$34.5 million or approximately 2.2% as compared with the same period last year. The Group recorded revenue of approximately HK\$25.4 million from the Hong Kong market during the Period, representing an increase of approximately HK\$0.7 million or approximately 2.8% as compared with the same period last year. Meanwhile, the Group recorded revenue of approximately HK\$35.2 million from overseas markets, representing a decrease of approximately HK\$15.6 million or approximately 30.7% as compared with the same period last year. The change was mainly due to the completion of Mumbai Metro Lines 2 & 7, which contributed a significant amount of revenue in the same period last year, while new overseas projects have not yet reached the centralised delivery stage.

Cost of sales and gross profit

The Group's cost of sales amounted to approximately HK\$1,037.1 million in FY2024, representing a decrease of approximately HK\$9.1 million or approximately 0.9% as compared with the same period last year. The Group's gross profit was approximately HK\$619.7 million, representing an increase of approximately HK\$28.7 million or approximately 4.9% as compared with the same period last year.

Selling, general and administrative expenses

The Group's selling, general and administrative expenses for FY2024 amounted to approximately HK\$266.6 million, representing a decrease of approximately HK\$0.4 million or approximately 0.2% as compared with the same period last year, remaining basically the same as compared to the last year.

Research and development (“R&D”) expenses

In FY2024, the Group’s R&D expenses amounted to approximately HK\$159.6 million, representing a decrease of approximately 6.6% as compared with the last period. This was mainly due to the improvement in the Group’s R&D efficiency during the Period.

Share of results of joint ventures and associates

The Group’s investment income was approximately HK\$21.9 million in FY2024, an increase of approximately HK\$0.3 million or approximately 1.4%, remaining stable as compared to the last period.

Fair value changes in other financial assets

The Group recorded losses on changes in fair value of approximately HK\$7.6 million for FY2024. The change was mainly due to changes in the fair value of the Group’s other financial assets, Youdao Technology Co., Ltd (友道科技有限公司) (“Youdao Technology”) and Beijing Cornerstone Huiying Venture Capital Centre (Limited Liability Partnership) (北京基石慧盈創業投資中心(有限合夥)) (“Cornerstone Huiying”).

Profit attributable to equity shareholders of the Group

The profit attributable to equity shareholders of the Group was approximately HK\$167.6 million in FY2024, representing a year-on-year decrease of approximately 3.8% (equivalent to approximately RMB152.9 million, representing a year-on-year decrease of approximately 2.7%). Earnings per share were HK\$0.080, representing a year-on-year decrease of approximately 3.8% (equivalent to approximately RMB0.073, representing a year-on-year decrease of approximately 2.7%).

Liquidity, financial and capital resources

Capital structure

As at 31 December 2024, the Group’s issued share capital consisted of 2,097,146,727 ordinary shares of HK\$0.01 each (as at 31 December 2023: 2,097,146,727 ordinary shares of HK\$0.01 each).

Cash position

As at 31 December 2024, the Group’s cash and bank balances were approximately HK\$761.2 million (as at 31 December 2023: approximately HK\$697.1 million). The increase was mainly due to the increase in net cash flows from operating activities of the Group during the Period.

Borrowings and pledged assets of the Group

As at 31 December 2024, the Group's borrowings were approximately HK\$384.8 million (as at 31 December 2023: approximately HK\$331.4 million), of which HK\$255 million was derived from the borrowing from a subsidiary of BII, the Company's ultimate holding company, and the remaining was bank and other borrowings of approximately HK\$129.8 million. In respect of the Group's borrowings of HK\$255 million, as at 31 December 2024, the rights and interests in 81% of the issued share capital of Great Legend Development Limited, a wholly-owned subsidiary of the Group, held by the Company were charged in favour of a subsidiary of BII, the ultimate holding company of the Company.

As at the date of this announcement, the rights and interests in 51% of the issued share capital of Great Legend Development Limited have been released, and the remaining rights and interests in 30% of the issued share capital of Great Legend Development Limited were charged in favour of a subsidiary of BII, the ultimate holding company of the Company. Please refer to the announcement of the Company dated 14 October 2024 and the circular of the Company dated 21 November 2024 for details.

Working capital and gearing ratio

As at 31 December 2024, the Group had current assets of approximately HK\$3,233.2 million (as at 31 December 2023: approximately HK\$2,922.30 million), while its current liabilities were approximately HK\$1,575.8 million (as at 31 December 2023: approximately HK\$1,560.6 million), resulting in net current assets of approximately HK\$1,657.4 million (as at 31 December 2023: approximately HK\$1,361.7 million). As at 31 December 2024, the current ratio, calculated based on current assets divided by current liabilities, was approximately 2.1 (as at 31 December 2023: approximately 1.9).

Gearing ratio is calculated based on total debts at the end of a period divided by total assets at the end of such period multiplied by 100%. As at 31 December 2024, the Group's gearing ratio was 39.2% (as at 31 December 2023: approximately 36.2%).

Foreign exchange exposure

The Group has six main operating subsidiaries, with one established in Hong Kong and the remaining five registered in Mainland China. All of these subsidiaries earn revenue and incur cost in their local currencies. The Directors consider that the impact of foreign exchange exposure on the Group is minimal.

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: nil).

BUSINESS ANALYSIS BY SEGMENT

In 2024, the Group continued to implement its "14th Five-Year" strategy while enhancing its "3+2" business model that focuses on its three core businesses: intelligent passenger information services business, data and integration services business, and intelligent infrastructure business, and focuses on resource integration and market expansion. Leveraging product technology and service empowerment, the Group advanced key business development to enhance market competitiveness and service levels. These efforts enabled the Group to improve both its operating efficiency and development quality.

Intelligent passenger information services business

The intelligent passenger information services business primarily focuses on passenger mobility scenarios covering areas such as high-speed railways, intercity railways, suburban railways, and metro. Its main products include integrated PIS, on-board integrated cloud-based platform, comprehensive monitoring, smart card automated fare collection system and other hardware and software products and solutions.

Revenue derived from the intelligent passenger information services business for the Period was approximately HK\$755.9 million, representing a decrease of approximately HK\$15.0 million or approximately 1.9% as compared with the same period last year. Gross profit was approximately HK\$325.1 million, representing a year-on-year increase of approximately 10.4%; gross profit margin was approximately 43.0%, representing a year-on-year increase of approximately 4.8 percentage points.

In 2024, the Group focused on its domestic businesses and strengthened its advantages. As a result, the Group's on-board PIS business has maintained the largest market share in China for nine consecutive years. During the Period, the Group secured new orders in Shenyang, Jinan, and Shenzhen, enabling it to further solidify its competitive advantages in the industry. Notably, the Group secured a contract for the Beijing Metro Line 22 PIS Project, valued at approximately RMB58.162 million. This project will innovatively integrate an AI-based intelligent train analysis system into the conventional PIS. Using specialised cameras and AI-based image analysis and recognition technology, the system conducts multi-dimensional analysis of subway compartment congestion, lost items, and passenger behaviour, to enhance the level of operation and management. The Group won the bid for the Jinan Metro Line 6 On-board PIS Project, valued at approximately RMB50.846 million, significantly enhancing the Company's brand influence in the local market.

In terms of overseas expansion, the Group has made breakthroughs by entering the markets in Egypt, the Philippines, Chile, and the Netherlands for the first time. The Group has also continuously secured new orders in cities such as Surat in India and Rio de Janeiro in Brazil. Among them, the successful bid for the Melipilla PIS Project in Chile, valued at approximately RMB16.706 million, marks a significant expansion of the Group's international business in the South American market. During the Period, the Group successfully signed contracts for the Surat and Ahmedabad PIS Projects in India, valued at approximately RMB23.5 million. With these projects, the Group maintained a market share of over 85% in the Indian market, further consolidating its leading position in the industry.

In terms of project delivery, leveraging its professional technical expertise and efficient execution capabilities, the Group successfully delivered the passenger service system and intelligent analysis system for the CR450 prototype, the fastest high-speed train in the world. Supported by edge cloud computing and artificial intelligence technologies, this project comprehensively enhances train monitoring and passenger service levels. The delivery of this innovative achievement demonstrates the Group's profound strengths in this segment and provides a powerful Chinese solution for intelligent development of global railway transportation, effectively enhancing the Group's brand image and market recognition worldwide.

Data and integration services business

The data and integration services business primarily serves subway owners and operators, focusing on scenarios such as the construction and operation of railway transportation. The business scope encompasses Automatic Fare Collection System (AFC), Traffic Control Centre or Centralised Operation Control Centre (TCC, COCC), low-voltage and communication system integration services, as well as intelligent software and hardware products and services such as cloud platforms for railways and big data solutions for urban railways.

Revenue derived from the data and integration services business for the Period was approximately HK\$515.6 million, representing a decrease of approximately HK\$61.8 million or approximately 10.7% as compared with the same period last year. Gross profit was approximately HK\$101.9 million, representing a year-on-year decrease of approximately 25.2%; gross profit margin was approximately 19.8%, representing a year-on-year decrease of approximately 3.8 percentage points.

In 2024, the Group continued to consolidate its dominant position in existing markets. During the Period, the Group successfully signing a contract for the Engineering Communication System Integration Procurement Project of the Beijing Metro Line 22. This project, valued at RMB480 million, represents the Group's largest single-project contract in terms of communication integration. The Group also signed a contract for the Beijing Next-generation AFC 2.0 System Project, valued at approximately RMB33.507 million. This project aims to achieve technological innovation and unified interfaces of the AFC system by streamlining the system's architecture and uploading data to a cloud platform. The Group signed a contract for the Phase I AFC System Integration Project for Shenyang Metro Line 3, valued at approximately RMB77.90 million, supporting the implementation of the "One Ticket Pass" (一票通) and "One Card Pass" (一卡通) functions for Shenyang Metro. This project marks a breakthrough for this business sector in another new city outside of Beijing. In 2024, the Group was also awarded the Intelligent Operation and Maintenance Project for the Sub-centre Hub and the Intelligent Operation and Maintenance Platform Expansion Project for Beijing High-level Automatic Driving Demonstration Zone 3.0, demonstrating the Group's innovative applications in the new business fields of digital and intelligent construction and development. Additionally, the Group proactively promoted the implementation of key signed projects. The Communication Integration Project for Beijing Metro Line 13 achieved significant progress, which has realised dynamic adjustment, adaptation, and seamless switching of train signals in accordance with changes in the metro line's operational mode, providing strong support for the subsequent split-line operation. Meanwhile, adhering to the bottom line of quality and safety, the Group accelerated the implementation and operation of Taiyuan Metro Line 1 and Tianjin Metro Line 7 projects through coordination and construction process optimisation, facilitating the operation of these two metro lines.

Intelligent infrastructure business

The intelligent infrastructure business primarily covers the investment and operation of civil communication transmission systems for Beijing’s railway transportation. At the same time, leveraging big data, artificial intelligence and other technologies, it provides customers with “intelligent+” services such as intelligent construction sites, intelligent parks, intelligent hubs, intelligent utility tunnels and intelligent micro-centres.

Revenue derived from the intelligent infrastructure business for the Period was approximately HK\$385.3 million, representing an increase of approximately HK\$96.5 million or approximately 33.4% as compared with the same period last year. Gross profit was approximately HK\$192.7 million, representing a year-on-year increase of approximately 20.3%, while the gross profit margin was approximately 50.0%, representing a year-on-year decrease of approximately 5.4 percentage points.

In 2024, the Group continued to strengthen its civil communication business foundation. While completing the construction of civil communication supporting facilities and transmission systems for Beijing Metro Line 3 and Line 12, the Group renewed service agreements for certain existing station transmission services. The Group also upgraded and renovated equipment and facilities related to nine lines, thereby comprehensively improving the safe operation of equipment and ensuring the long-term sustainable operation of the civil communications business. In addition, building upon the traditional business model, the Group actively explored new growth opportunities for its business, continuously focusing on four value-added development directions: wired networks, computing power bandwidth, mobile connectivity, and data services. By fully leveraging high-quality equipment room space resources and capitalising on the advantages of telecom carriers’ basic communication capabilities, the Group further expanded the scale of its metro edge cloud business. The Group actively explored new markets such as computing power services, Internet of Things (IoT), and dedicated line services for industrial parks, contributing to urban renewal and digital transformation.

In terms of “intelligent+” services, focusing on application scenarios such as utility tunnels, construction sites, communities, industrial parks, highways, and micro-centres, the Group explored market demands and successfully signed the Daxing Airport Expressway Intelligent Management and Control Platform Upgrade Project. By employing technologies such as digital twins, vehicle positioning, and IoT data fusion, this project aims to build a “1+6+N” intelligent management system to help customers achieve goals such as cost reduction, efficiency enhancement, and precise scheduling. The Group successfully signed the Beijing Sub-centre Hub Utility Tunnel Project, employing next-generation technology products based on 5G+ edge computing to further enhance the operation and maintenance efficiency of the utility tunnel. For the first time, the Group ventured into the fire services field by securing the Beijing Sub-centre Station Integrated Hub Gas Fire Extinguishing System Equipment and FAS Project. This project promotes the localization of fire services for hubs and railways, signifying the Group’s “intelligent +” services’ expansion into diverse fields.

Investments in joint ventures and associates

The Group strives to create a post-investment management system with classified policies and precise empowerment, aiming to improve its industrial presence and strengthen its industrial ecosystem. By constructing a multi-dimensional dynamic monitoring mechanism, the Group closely tracks the financial status and operational performance of the companies it invested in timely. This allows for continuous strengthening of value management and resource integration within these companies, helping them enhance core competitiveness and collaborative efficiency. This, in turn, fosters a virtuous cycle ecosystem that integrates “investment, management, and empowerment”. The primary operating performance of companies the Group invested in during the year is as follows:

- Beijing Capital Metro Co., Ltd.* (北京京城地鐵有限公司) (“Capital Metro”), while continuously ensuring the stable operation of the Beijing Subway Capital Airport Express and Shaoxing Metro Line 1 (including Hangzhou-Shaoxing section), has advanced the overhaul of the Beijing Subway Capital Airport Express’s train No. 1 at a repair facility, further guaranteeing operational service quality. During the Period, Capital Metro experienced year-on-year growth in both passenger flow and ticket revenue, leading to a corresponding increase in operating income and net profit, which has generated favourable financial returns for the Group.
- During the year, Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司) (“Metro Technology”) successfully delivered two benchmark projects: the Passenger Information System for Beijing Metro Line 3 and the AFC equipment procurement for Beijing Metro Line 12, providing strong support for the smooth opening of the new lines, Beijing Metro Line 3 Phase I and Line 12. Building on its solid foundation in traditional businesses, Metro Technology actively explored business cooperation in multiple professional fields such as communication, signalling, electromechanical systems, and power supply.

In order to optimise its business structure and enhance strategic focus, the Group recently disposed of 49% of its equity interest in Metro Technology by way of public tender process conducted through the China Beijing Equity Exchange (北京產權交易所). For details, please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 in relation to the disposal of the joint venture by way of public tender.

- Beijing Ruubypay Science and Technology Co., Ltd.* (北京如易行科技有限公司) (“Ruubypay”) actively explored a new model of joint operation of transit QR codes. It has successfully signed agreements with Douyin and Didi APP and launched transit QR code services, enabling the launch of Super SIM card and digital RMB hardware wallet payment for metro access. Meanwhile, Ruubypay also completed the signing of joint operation agreements for transit QR codes with the City Pass Mini Program. During the year, the Yitongxing APP under Ruubypay had approximately 41.28 million registered users, representing an increase of approximately 8.36% as compared with the same period last year, with its internet platform business accounting for approximately 63% of the gate traffic of the entire network in Beijing.

- Youdao Technology continued to enhance the integration of industry and education. By independently developing a series of simulation training systems, it has built an integrated simulation teaching environment, deeply integrating intelligent scheduling and automatic control technologies, and assisting vocational colleges in improving their practical teaching standards. During the year, Youdao Technology was honoured as a national-level “Little Giant” (小巨人) enterprise specialising in niche sectors with innovative technologies, demonstrating that its technological innovation capabilities and the value of its collaboration between industry and education have been acknowledged.
- Beijing SmartTOD Technology Development Co., Ltd* (北京京智網智慧科技發展有限公司) actively participated in a number of key demonstration projects in Beijing, focusing on intelligent hubs and dual-intelligence private networks. During the year, the deployment of software and hardware for the Intelligent Platform of the Sub-centre Integrated Transportation Hub Project was completed, creating an integrated operation command and scheduling system. The construction of the dual-intelligence private network for the expansion of the Beijing High-level Automatic Driving Demonstration Zone 3.0 has made phased breakthroughs, with the hardware deployment of the resource integration platform and the installation and commissioning of the large screen display system completed. This lays the foundation for the construction of a city-level intelligent transportation management platform by providing standardised technical modules and a data base.
- Baoding Cornerstone Lianying Venture Capital Investment Fund Centre (Limited Liability Partnership)* (保定基石連盈創業投資基金中心(有限合夥)) has entered the exit phase, with some projects achieving smooth exits and generating investment income. Leveraging the investment planning of Cornerstone Huiying, the Group focuses on the railway transportation industry ecosystem, continuously selecting and incubating high-quality enterprises to enhance operational capabilities.

R&D and innovation

The Group upholds the core strategic concept of “R&D + Innovation,” targeting new requirements for the development of new quality productive forces. The Group delves into relevant national, local, and industry policies and development guidelines, focusing on the intelligent, integrated, and independent development trends within the railway transportation industry. This proactive approach involves undertaking major scientific research projects, fostering the aggregation of innovation elements within the Group, and promoting the Group’s role as a key driver of innovation decisions, R&D investment, and achievement transformation.

In terms of management innovation, the first step is to segment product application scenarios. Building upon the foundation of the three major business segments, the products have been categorised into six applicable scenarios: smart ticketing, smart customer service, smart operations, smart security, smart infrastructure, and smart maintenance. This ensures comprehensive coverage of products under development and enhances the granularity of product management. The second aspect focuses on implementing a scenario-based layering strategy, consolidating product advantages in the areas of smart ticketing and smart operations, enhancing product accumulation in the fields of smart security and smart infrastructure, and exploring product landscape within the realms of smart customer service and smart maintenance scenarios. Thirdly, the Group aims to improve the product system by formulating guidelines for standardised project deliverables and implementation guidelines for work-hour statistics for independently developed projects. This ensures that every stage of product R&D, from project initiation and research to promotion and implementation, adheres to high-quality standards.

In terms of R&D projects, the Group has continuously improved its scientific research management system to promote the orderly progress of these projects. Firstly, significant achievements have been made in the management of scientific research projects, with over ten external research projects completing mid-term inspections and external reviews, and two internal research projects passing acceptance inspections. Secondly, substantial results have been achieved in research project applications, including the organisation and approval of major projects such as “Key Technology Research and Demonstration of Integrated Urban (Suburban) Railway and Urban Rail Transit Operation” by the Municipal Science and Technology Commission. Thirdly, two research achievements, namely “Research and Application of Key Technologies for Rail Transit Onboard Edge Intelligence based on Cloud-Native Technology” and “Research and Application of Key Technologies for a Mobile Road Network Operation Monitoring Platform based on a Rail Transit Data Base”, have received “dual certification” from the Beijing Railway Transportation Society, recognising them as both internationally advanced and domestically leading. This accomplishment lays a solid foundation for future applications for scientific and technological achievement awards.

In terms of technology application, the multi-cloud integrated management platform has completed its upgrade to version 1.14 and passed internal pre-acceptance. This platform establishes a comprehensive monitoring system covering the entire link from virtual machines to the core network, realising unified and visualised monitoring of the entire business process, and has been implemented and validated at the Beijing Railway Transportation Command Centre. Secondly, the On-board Edge Cloud 2.0 product has achieved large-scale application, being implemented in high-speed railways, intercity railways and subway projects in various cities and regions, including Sanya, Meishan, Beijing and the Greater Bay Area. In particular, it has made a significant breakthrough in the field of high-speed railways by becoming the first platform to be equipped on the next-generation CR450 intelligent EMUs. Thirdly, the Data4U 1.0 product has been successfully put into operation at the Beijing Railway Transportation Big Data Centre, overcoming multiple technical challenges such as MPP data warehouse data acquisition and heterogeneous system data fusion. This product has realised unified aggregation and efficient governance of massive railway transportation data, providing data support for network-level intelligent decision-makings.

In 2024, the Group spent approximately HK\$159.6 million on R&D, representing a year-on-year decrease of approximately 6.6%, which was mainly attributable to the increase in the Group's R&D efficiency. During the year, 29 new patents (149 patents in aggregate) and 77 new software copyrights (645 in aggregate) were obtained. A total of six scientific and technological achievements awards were received, including the Second Prize for Scientific and Technological Progress from the Beijing Railway Transportation Society and the Top 10 Most Innovative Technology Awards at the 2024 Zhongguancun International Innovation and Entrepreneurship Competition for Railway Transportation. In addition, wholly-owned and holding subsidiaries were granted eight scientific and technological innovation qualifications, including the national-level "Little Giant" enterprise specialising in innovation, the national qualification for "Commercial Cryptography Testing Institution", and the recognition of "Innovative Small and Medium-Sized Enterprise" and "Specialised and Innovative Small and Medium-Sized Enterprise" in Beijing. These achievements not only demonstrate the Group's R&D strength but also mark a solid step forward in promoting technological innovation in railway transportation.

BUSINESS PROSPECTS

Transformation and upgrading of digital and intelligent scenarios in the railway transportation segment

In recent years, innovative achievements based on cutting-edge technologies such as artificial intelligence, big data, and cloud computing have accelerated their penetration into various industries. Various smart rail transit products that are mainly aimed at improving efficiency, enhancing safety, and reducing costs have been demonstrated in core business scenarios such as urban rail transit construction, operation, and maintenance, and have achieved good results in sub-segment such as intelligent dispatching, smart operation and maintenance, and intelligent customer service. The 2025 Government Work Report clearly proposes to "develop digital and intelligent infrastructure" and emphasises that "we should continuously promote the 'AI+' initiative, vigorously developing next-generation intelligent terminals and intelligent manufacturing equipment". Driven by policies, such as the "Opinions on Promoting the Construction of New Urban Infrastructure and Building Resilient Cities" and the "Guiding Opinions on Citywide Digital Transformation" in 2024, smart rail transit products will gradually move from the technical verification stage to the large scale production stage in the future. As the application demand for smart rail transit continues to escalate, it is expected that the market space for smart rail transit products will continue to expand, facilitating the high-quality development of the industry.

Renovation and upgrading generating incremental market

Since the 21st century, the construction of the rail transit system in Mainland China has been advancing rapidly, and a large number of equipment and facilities such as vehicles and ground equipment have been put into use. According to relevant statistics, as of the end of 2024, there were over 30 urban rail transit lines in China that have been in operation for more than 15 years, and nearly 60 lines operating for 10 to 15 years, concentrated in major cities such as Beijing, Shanghai, Guangzhou, and Shenzhen. According to national standards and general design life estimates of the industry, the vehicles and related equipment on the above lines have entered the overhaul or renewal cycle. With the increase in the mileage and investment of new lines, the scale of the renewal and renovation market will continue to expand in the future. Particularly since 2024, the State Council has issued the “Action Plan for Promoting Large-scale Equipment Renewal and Consumer Goods Trade-in”, and the Urban Rail Transit Association has also issued the “Guiding Opinions on the Renovation of Existing Urban Railway Transportation Lines”. Driven by policy catalysis, the demand for the replacement of rail transit equipment is expected to accelerate, and the incremental space in the relevant market will be broader.

Potential of overseas business gradually released

In recent years, the railway transportation industry in Mainland China has actively enhanced international cooperation and regional integration, and is deeply involved in the construction of infrastructure interconnection under the framework of “the Belt and Road” initiative. Through the cooperation on constructing major infrastructure projects such as high-speed railways and metro systems, the economic integration and development among the countries along the route will be promoted. Against this backdrop, “going abroad” has become a strategic priority for most of domestic enterprises. Many enterprises in the industry, led by CRRC, are actively expanding their overseas market to embrace the new trend of globalization. According to relevant research, it is anticipated that total operating mileage of urban railways around the world will exceed 45,000 kilometres by 2025, maintaining a steady growth trend. At present, the Company has made strategic deployment in many countries, with our on-board PIS business segment steadily rank first in the market share in India. Looking forward, the Company will make continuous efforts on “going abroad”, consolidate its foundation of international business development and replicate the proven industry model in more “the Belt and Road” countries to realize its sustainable development.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed a total of 623 employees (including the executive Directors) (31 December 2023: 647). The total staff costs, including Directors’ remuneration, were approximately HK\$290.6 million (FY2023: approximately HK\$297 million). The reason for the decrease was mainly due to the Group’s continuous optimisation of its personnel structure.

The Group reviews remuneration package annually with reference to the prevailing market conditions and staff's working performance, qualification, and experience. In addition to basic remuneration, the Group also pays bonus based on its performance and staff's contribution to the Group. Other benefits include contribution to social insurance scheme in China, contribution to the MPF Scheme and insurances in Hong Kong. The Group also organised professional and vocational trainings for its employees.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

As disclosed above, on 27 March 2025, the Group disposed 49% of the equity interests in Metro Technology, a joint venture of the Company, at the final transaction price of RMB68,332,215. Upon completion of the disposal, the Company and its subsidiaries will no longer hold any equity interest in Metro Technology. Please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 for details.

Save as disclosed, there were no other significant events arising subsequent to FY2024 as at the date of this announcement.

AUDIT COMMITTEE

The Company established the Audit Committee on 8 December 2011 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules. On 30 December 2015, the Board adopted the revised written terms of reference which became effective on 1 January 2016. On 25 December 2018, the Board adopted the further revised written terms of reference which became effective on the same date. The written terms of reference of the Audit Committee were adopted in compliance with code provisions D.3.3 and D.3.7 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

The primary duties of the Audit Committee, among other things, are to (i) make recommendations to the Board on the scope of audit and appointment, re-appointment and removal of external auditor; (ii) review the financial statements and material advice in respect of financial reporting; (iii) oversee internal control and risk management systems of the Company; and (iv) review the effectiveness of the internal audit function and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee held five meetings during FY2024 to, among others, review the interim and annual financial results and reports of the Group and significant issues on financial reporting, operational and compliance controls. The Audit Committee also reviewed the effectiveness of the Group's risk management and internal control systems, internal audit function and compliance procedures, and considered matters regarding appointment of external auditors, relevant scope of works and connected transactions and arrangements for employees to raise concerns about possible improprieties.

As at 31 December 2024, the Audit Committee consists of three independent non-executive Directors, namely Mr. Luo Zhenbang (CPA) (chairman of the Audit Committee), Mr. Huang Lixin and Mr. Li Wei.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the Group's annual results for FY2024 and recommended to the Board for approval.

BAKER TILLY'S SCOPE OF WORK ON THIS ANNUAL RESULTS ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the Company's auditor, Baker Tilly Hong Kong Limited ("Baker Tilly"), Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly in this announcement.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares, if any) during the year ended 31 December 2024. During the Period, the Company and its subsidiaries did not hold any treasury shares.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code as its code of corporate governance. According to the Board, the Company has complied with the Corporate Governance Code for FY2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has devised its own code of conduct for securities transactions regarding Directors' and employees' dealings in the Company's securities (the "Securities Dealing Code") on terms no less exacting than the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made with all the Directors and employees to whom the Securities Dealing Code applies. The Directors have confirmed that they have complied with the Securities Dealing Code and the Model Code throughout the year ended 31 December 2024. No incident of non-compliance with the Securities Dealing Code by the employees was noted by the Company.

FINAL DIVIDEND

In view of the business growth of the Group and in response to the long term support of the shareholders of the Company (the “Shareholders”), the Board recommended the declaration of a final dividend of HK\$0.024 per share for FY2024 (FY2023: HK\$0.025 per share). The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Friday, 27 June 2025, subject to the approval of the Shareholders at the annual general meeting to be held on Thursday, 19 June 2025 (the “2025 AGM”). It is expected that the final dividend will be paid on or before Friday, 19 September 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM to be held on Thursday, 19 June 2025, the register of members of the Company will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 June 2025 (Hong Kong time).

For determining the entitlement to the proposed final dividend (subject to the approval by the Shareholders at the 2025 AGM), the register of members of the Company will be closed from Wednesday, 25 June 2026 to Friday, 27 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 June 2025 (Hong Kong time).

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, 19 June 2025. Shareholders should refer to details regarding the 2025 AGM in the circular to be published on the website of the Company at www.biitt.cn and the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk by the Company and the notice of meeting and form of proxy accompanying therewith.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement has been published on the website of the Company at www.biitt.cn and the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2024 annual report of the Company will be published on the above websites in due course.

By Order of the Board
**BII Railway Transportation Technology
Holdings Company Limited**
Liu Yu
Executive Director
Chief Executive Officer

Hong Kong, 27 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Liu Yu and Ms. Zhao Jingyuan; the non-executive directors of the Company are Mr. Ren Yuhang, Ms. Sun Fang, Mr. Cao Mingda and Mr. Fang Zhiwei; and the independent non-executive directors of the Company are Mr. Luo Zhenbang, Mr. Huang Lixin and Mr. Li Wei.

* *For identification purposes only*