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中国通号

中國鐵路通信信號股份有限公司

China Railway Signal & Communication Corporation Limited*

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

(Stock Code: 3969)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “**Board**”) of China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司) (the “**Company**”) hereby announces the audited annual results of the Company and its subsidiaries for the year ended 31 December 2024. This announcement is in compliance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in relation to information to accompany the preliminary announcement of annual results.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the HKExnews website of the Hong Kong Stock Exchange at www.hkexnews.hk and the website of the Company at www.crsc.cn.

The 2024 annual report will be published in due course on the aforesaid websites of the Company and the Hong Kong Stock Exchange.

By order of the Board
China Railway Signal & Communication Corporation Limited*
LOU Qiliang
Chairman

Beijing, the People's Republic of China
28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. LOU Qiliang and Mr. ZHANG Quan, the independent non-executive directors of the Company are Mr. YAO Guiqing, Mr. YAO Cho Fai Andrew and Mr. FU Junyuan, and the non-executive director of the Company is Ms. LUO Jing (employee director).

* For identification purpose only

IMPORTANT NOTICE

I. THE BOARD AND THE SUPERVISORY COMMITTEE OF THE COMPANY AND THE DIRECTORS, SUPERVISORS AND MEMBERS OF THE SENIOR MANAGEMENT WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE CONTENTS HEREIN AND CONFIRM THAT THERE ARE NO MISREPRESENTATIONS OR MISLEADING STATEMENTS CONTAINED IN, OR MATERIAL OMISSIONS FROM, THIS ANNUAL REPORT, AND ACCEPT SEVERAL AND JOINT LEGAL RESPONSIBILITIES.

II. THE COMPANY MADE NO PROFIT AT THE TIME OF LISTING AND HAS NOT BEEN YET PROFITABLE

☐ Yes ☒ No

III. WARNING OF SIGNIFICANT RISKS

For the description of relevant risks, please refer to Section IV "Management Discussion and Analysis and Report of the Directors" of this report.

IV. PARTICULARS ABOUT THE DIRECTOR NOT ATTENDING THE BOARD MEETING

Position of director not attending the meeting	Name of director not attending the meeting	Explanation of the director not attending the meeting	Name of proxy
Executive Director	ZHANG Quan	Other important business engagement	LOU Qiliang

V. BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP ISSUED A STANDARD UNQUALIFIED AUDIT REPORT FOR THE COMPANY.

VI. LOU QILIANG, PERSON-IN-CHARGE OF THE COMPANY, LI LIANQING, CHIEF FINANCIAL OFFICER, AND ZHANG SHIHU, HEAD OF THE FINANCIAL DEPARTMENT (PERSON IN CHARGE OF ACCOUNTING), CONFIRM THAT THE FINANCIAL REPORT IN THIS ANNUAL REPORT IS TRUE, ACCURATE AND COMPLETE.

VII. PROFIT DISTRIBUTION PLAN OR RESERVES-TO-EQUITY TRANSFER PLAN DURING THE REPORTING PERIOD AS CONSIDERED BY THE BOARD

As considered by the 27th meeting of the fourth session of the Board of the Company, the Company plans to distribute cash dividend of RMB1.7 (including tax) to all Shareholders for every 10 shares based on the total share capital of 10,589,819,000 shares on 31 December 2024, totaling RMB1,800,269,230. The profit distribution plan needs to be considered and approved by the Company's 2024 annual general meeting.

VIII. WHETHER THERE ARE IMPORTANT MATTERS SUCH AS SPECIAL ARRANGEMENTS FOR CORPORATE GOVERNANCE

☐ Applicable ☒ Not Applicable

IMPORTANT NOTICE (CONTINUED)

IX. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

☒ Applicable ☐ Not Applicable

This report contains forward-looking statements that are based on some subjective judgements and prospective assumptions with precedent conditions to the domestic and overseas economic trends and macro policies in the future. The judgements and assumptions may change under the influence of constraints. The final results or trends may differ from these forward-looking statements.

The forward-looking statements included in this report in relation to future plans, development strategies, etc. do not constitute any substantive commitment to investors by the Company. Investors should be aware of investment risks.

X. WHETHER THE CONTROLLING SHAREHOLDER OR ITS RELATED PARTIES HAVE MISAPPROPRIATED THE COMPANY'S FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS

No

XI. WHETHER THE COMPANY HAS PROVIDED EXTERNAL GUARANTEES IN VIOLATION OF ANY PRESCRIBED DECISION-MAKING PROCEDURES

No

XII. WHETHER THE COMPANY HAS MORE THAN HALF OF THE DIRECTORS THAT CAN NOT GUARANTEE THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE ANNUAL REPORT DISCLOSED BY THE COMPANY

No

XIII. OTHERS

☐ Applicable ☒ Not Applicable

CONTENTS

SECTION I	DEFINITIONS	2
SECTION II	CHAIRMAN'S STATEMENT	4
SECTION III	BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS	7
SECTION IV	MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS	16
SECTION V	CORPORATE GOVERNANCE	129
SECTION VI	ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS	194
SECTION VII	SIGNIFICANT EVENTS	215
SECTION VIII	CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS	250
SECTION IX	PARTICULARS OF PREFERENCE SHARES	264
SECTION X	PARTICULARS OF BONDS	265
SECTION XI	FINANCIAL REPORT	278
SECTION XII	FIVE-YEAR FINANCIAL SUMMARY	628

Documents Available for Inspection	The financial statements signed and stamped by the person-in-charge of the Company, chief financial officer and the person in charge of accounting of the Company.
	Original copies of audit report signed and stamped by the accounting firm and certified public accountants.
	Original copies of all documents and announcements of the Company disclosed publicly during the Reporting Period.

SECTION I DEFINITIONS

I. DEFINITIONS

Unless otherwise stated in the context, the following terms should have the following meanings in this report:

Definitions of Common Words

ATO	Automatic Train Operation, the automatic train operation system, a system that automatically adjusts the speed and operation status of trains to automatically control a train's operation
ATP	Automatic Train Protection, the automatic train protection equipment that automatically brakes train when it exceeds speed limits
Board	the board of directors of the Company
CBTC	Communication Based Train Control System, train control system for urban transit, the wireless communication-based automatic train control system, a wireless communication system for urban transit that enables bidirectional communication between vehicle and ground facilities to control the operation of trains
China or the PRC	the People's Republic of China, which for the purposes of this report excludes Hong Kong, Macau and Taiwan
CNRG	China National Railway Group Co., Ltd.
CRSC or the Company or Company	China Railway Signal & Communication Corporation Limited
CRSC Group	China Railway Signal and Communication (Group) Corporation Limited, the controlling shareholder of the Company
CSRC	China Securities Regulatory Commission
CTCS	Chinese Train Control System, developed by China for ensuring the safe operation of trains, which is divided into 0 to 4 levels based on function and equipment configuration according to the operational requirements of different lines. The higher the level, the faster the train speed applied and the higher the technical difficulty
EPC	Engineering Procurement Construction, the whole process or certain stages of the contract entrusted by the owner to the Company to carry out the design, procurement, construction, and trial operation of the construction project in accordance with the contract
Group	the Company and its subsidiaries

SECTION I DEFINITIONS (CONTINUED)

Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
RBC	Radio Blocking Center is the ground core equipment of the CTCS-3 system to generate control information on the driving permission, line description and temporary speed limit for the controlled train according to the train status provided by the train ATP, the interlock path status provided by the interlock device, the track occupation status, and the temporary line speed limit command provided by the TSRS and transmit such information to the on-board ATP through the GSM-R network to control the driving status of the train.
Reporting Period	the year ended 31 December 2024
SASAC	State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
SSE	the Shanghai Stock Exchange
TACS	Train Autonomous Circumambulation System is the automatic train operation system, which is a signal system for a train to realise autonomous resource management and active interval protection based on the operation plan and real-time location of the train.

Note: In this report, figures shown as totals in different ways may not be an arithmetic aggregation of the figures preceding them, which are due to rounding adjustments. Unless otherwise specified, the currency of the amounts listed in this report is RMB.

SECTION II CHAIRMAN'S STATEMENT

Dear shareholders,

2024 marks a critical year for achieving the objectives and tasks set out in the 14th Five-Year Plan. Guided by General Secretary Xi Jinping's important instructions delivered on 26 February and 6 November, China Railway Signal & Communication Corporation Limited remained committed to enhancing core functions and competitiveness, promoting solidarity and proactive engagement, adjusting our development strategy, and building consensus for progress. We tackled the "three major tasks" with determination, resulting in a new landscape characterised by "one advancement, one progression, and one retreat". Solid results were achieved across our operations, reform and development, and Party building.

Throughout the year, we continued to strengthen the political foundation of the Party, refined and enhanced mechanisms to implement General Secretary Xi Jinping's key instructions and the decisions of the CPC Central Committee, and thoroughly studied and implemented the spirit of the Third Plenary Session of the 20th Central Committee. We carried out high-quality Party discipline education and ensured the full implementation of the CPC Central Committee's decisions and plans within CRSC. We launched the "1+N" special initiative to empower Party building, further developing Party member responsibility areas, demonstration posts, task forces, service teams, Party building brands, and innovation and efficiency programmes for youth. Party building empowerment delivered new outcomes. We optimised the "1+13+72" compliance management system for inspections and audits, and advanced the strict governance of the Party. CRSC's cohesion and leadership in Party building continued to grow.

This year, the Company promoted the "dual-track" development of rail transportation and low-altitude economy, cultivated low-altitude airspace control, drone manufacturing, and service operation businesses, and accelerated the construction of a "three-industry-one-state" industrial pattern for the low-altitude economy. The Company targeted the pain points of the industry of "if we can't control, we can't fly", fully utilized core intelligent transportation control technology, extended its advantages to the low-altitude field, independently developed the ID-Space 1.0 version of the Intelligent Low-altitude Airspace Control System, was selected as one of the "Top 100 Projects" of the State-owned Assets Supervision and Administration Commission, and innovatively proposed a "one tower, one city" low-altitude communication private network solution. It successfully applied for the "Beijing Key Laboratory" to release the command-and-control surveillance and protection system; was approved as the "Beijing Key Laboratory for Intelligent Low-altitude Airspace Control", participated in the Ministry of Industry and Information Technology's leading "Low-altitude Intelligent Networked System Architecture (2024 version)" white paper, and participated in the State-owned Assets Supervision and Administration Commission's "15th Five-Year Plan". It established a low-altitude intelligent company, held a special research on low-altitude economic planning. Academician forum, jointly constructed a "1+4" collaborative innovation system with academician teams, firmly established a "four modernizations" technology route, and promoted capitalization. Extensively carried out exchange and cooperation. Signed 9 strategic cooperation intentions,

SECTION II CHAIRMAN'S STATEMENT (CONTINUED)

agreements, and established 4 joint venture companies, signed strategic cooperation agreements with CITIC Group, China Post, and China Tower, and constructed manned, cargo, overall perception operation, logistics transportation, and government inspection low-altitude industrial ecology. The low-altitude airspace control system achieved its first flight in Nanjing, and obtained the first contract order in Nan'an; promoted the demonstration applications of low-altitude inspection, low-altitude logistics and other scenarios in Hefei, Shijiazhuang, Chongqing, and Nujiang, and promoted the deepening of the "railway + low-altitude" integrated development model in Qingdao, Shijiazhuang, and other places, and created the cross-sea air-rail intermodal route from Zhanjiang West to Haikou, and the new mode of "village super + low-altitude" in Rongjiang County, Guizhou. China Railway Signal & Communication Corporation's industrial development system has achieved strategic restructuring.

Over the past year, we were approved as the original innovation hub for rail transit safety control technology, and made steady progress in tackling key core technologies. Intensive efforts were made to advance the cloud-based bi-level train control system, and a series of original technologies, including I-CTC, were successfully rolled out. A number of advanced rail transit systems, such as Qiji TACS, were put into practical application. We established a "4+1" intelligent development framework to accelerate the establishment of a full-lifecycle engineering service platform for the four-electric systems of rail transit and expedite the creation of a fully digital and intelligent industrial chain platform in the field of rail transit control. We joined the Joint Railway Basic Research Fund under the National Natural Science Foundation of China, and established the Sub-Technical Committee on Communication and Signal under the Standardisation Technical Committee of the China Association of Metros. Two experts were successfully selected into the "Top 100 Leading Scientific and Technological Talent Training Programme" for centrally administered state-owned enterprises. These efforts effectively supported the needs of industrial development. CRSC's leading position in control technology continued to strengthen.

Over the past year, we have completed over 160 construction and opening operations on railway lines of Grade II and above. We delivered the first domestic project enabling in-service coupling/decoupling and inter-line interoperability under fully automated operation (FAO) mode. Our capabilities in safeguarding the construction of major rail transit projects and developing benchmark projects were further enhanced. We successfully completed the Novi Sad to Subotica section of the Hungary-Serbia Railway, and facilitated the commissioning of key infrastructure projects under the Bangladesh-China-India-Myanmar Economic Corridor, including the construction of the railway connecting line on Padma Bridge, Bangladesh and the renovation of Line 1 of the Mexico City Metro, ensuring safe operation of the Jakarta-Bandung High-Speed Railway. CRSC's capacity to support national strategies was significantly enhanced.

Over the past year, we carried out institutional reform at headquarters, deepened tenure-based contractual reform by category and level, and improved mechanisms for the introduction, development and utilisation of high-end scientific and technological talent. We also advanced the reform of the remuneration distribution system to stimulate corporate vitality. We established an integrated digital and intelligent management model combining operations, finance, tax, and invoicing, and completed the construction of a financial shared service and operations-finance integrated management platform. We fully promoted the high-quality development of the treasury system, leading to a steady improvement in digital financial management capabilities. CRSC's market-oriented operations have laid the foundation for a dynamic and modern state-owned enterprise.

SECTION II CHAIRMAN'S STATEMENT (CONTINUED)

Over the past year, we advanced the three-year action plan on fundamentally improving work safety, and spared no effort in supporting national key projects and the operational safety of rail transit. We provided core operational control technologies for 47,000 kilometres of high-speed railways and 115,000 kilometres of conventional railways across China. We enhanced strategic reserves and industrial synergy, stepped up centralised and joint procurement efforts, and ensured the security and stability of the industrial and supply chains. We maintained a high standard in emergency response for in-service equipment, and successfully delivered rail transit engineering support services during major national holidays and significant events, highlighting our role and responsibilities as a central state-owned enterprise. CRSC's capabilities in safety support and assurance continued to grow.

Great truths are simple, and actions speak louder than words. The year 2025 marks both the conclusion of the 14th Five-Year Plan and the start of strategic planning for the 15th Five-Year Plan. It is also a pivotal year for CRSC to further deepen its business structure adjustment. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, CRSC will remain firmly focused on high-quality development as the foremost task, unwavering in its commitment to serving national strategies. We will forge ahead with determination, implement practical and results-oriented initiatives, accelerate the deep adjustment of our business layout, better fulfil our strategic mission and responsibilities, and strive to accomplish the objectives of "one profit and five ratios" and "one growth, one stability, and four enhancements", making unrelenting efforts to build CRSC into a great power's cornerstone in the field of intelligent control.

On behalf of the Board of Directors, I would like to express our sincerest thanks to the shareholders who champion the Company's reform and development, as well as friends from all ranks of life who concern and root for the Company!

LOU Qiliang
Chairman

Beijing, China
28 March 2025

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Chinese name of the Company	中国铁路通信信号股份有限公司
Chinese abbreviation	中国通號
English name of the Company	China Railway Signal & Communication Corporation Limited
English abbreviation	CRSC
Legal representative of the Company	LOU Qiliang
Registered office of the Company	20/F, CRSC Building A 1 Compound, Automobile Museum South Road Fengtai District Beijing, China
Historical change of registered office of the Company	In November 2017, the Company's registered office was changed from B 49 Xisihuan South Road, Fengtai District, Beijing, China to 20/F, CRSC Building A 1 Compound, Automobile Museum South Road Fengtai District Beijing, China
Principal place of business	CRSC Building 1 Compound, Automobile Museum South Road Fengtai District Beijing, China
Postal code of principal place of business	100070
Website of the Company	www.crsc.cn
E-mail	ir@crsc.cn
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

II. CONTACT PERSONS AND CONTACT METHODS

	Board Secretary and Joint Company Secretary (Domestic representative for information disclosure)
Name	LI Lianqing
Correspondence address	19/F, CRSC Building A 1 Compound, Automobile Museum South Road Fengtai District Beijing, China
Telephone	+86 010-50809286
Fax	+86 010-50809075
E-mail	ir@crsc.cn

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

III. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Media and website designated by the Company for annual report disclosure	China Securities Journal (www.cs.com.cn), Shanghai Securities News (www.cnstock.com), Securities Times (www.stcn.com) and Securities Daily (www.chinadaily.com.cn)
The website of the stock exchange where the Company discloses its annual report	www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publishing the H share annual report of the Company	www.hkexnews.hk
Place of inspection of the annual report of the Company	Board Office of the Company
Index to changes during the Reporting Period	None

LANGUAGE AND MEANS OF RECEIPT OF CORPORATE COMMUNICATIONS

The Company provides corporate communications to the shareholders based on their respective choice of language and means of receipt. The shareholders have the following options:

- to read the online version of all corporate communications published on the Company's website by electronic means in the future instead of receiving the printed version and receive printed notice for the publication of the corporate communications published on the Company's website;
- to receive printed English version of all corporate communications only in the future;
- to receive printed Chinese version of all corporate communications only in the future; or
- to receive both printed English and Chinese versions of all corporate communications in the future.

The shareholders may choose and/or change their choice on the language of our corporate communications and/or the way to receive the corporate communications at any time. The shareholders may notify the Company of their options by the following ways:

- By mail: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- By email: crsc.ecom@computershare.com.hk

For enquiry on the arrangement relating to the language and means of receipt of corporate communications, the shareholders may contact the hotline at +852 2862 8688 at any time.

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

IV. BASIC INFORMATION OF SHARES/DEPOSITARY RECEIPTS OF THE COMPANY

i. Basic information of shares of the Company

☒ Applicable ☐ Not applicable

Basic information of shares of the Company

Class of share	Place of listing and sector	Stock abbreviation	Stock code	Stock abbreviation before change
A share	SSE STAR Market	中国通號	688009	None
H share	Hong Kong Stock Exchange Main Board	中国通號	03969	None

ii. Basic information of depositary receipts of the Company

☐ Applicable ☒ Not applicable

V. OTHER RELEVANT INFORMATION

Accounting firm engaged by the Company	Name	BDO China SHU LUN PAN Certified Public Accountants LLP
	Office address	20/F, Tower A, China Overseas International Centre, Building 7, 5 Anding Road, Chaoyang District, Beijing
	Name of signing accountants	GUO Jian, WANG Xiaoyan

Note: Pursuant to the amendments to the Listing Rules of the Hong Kong Stock Exchange and relevant requirements of the Ministry of Finance and the CSRC, a company incorporated in China and listed on the Hong Kong Stock Exchange is permitted to adopt the PRC GAAP Standards to prepare its financial statements and to engage a Chinese accounting firm recognized by the Ministry of Finance and the CSRC to provide relevant services according to the PRC auditing standards since 15 December 2010. Therefore, the Company appointed one accounting firm as its external major auditor starting from the financial year of 2019 (no division of domestic and overseas).

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE PAST THREE YEARS

i. Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	2024	2023		Change as compared with the corresponding period of last year (%)	2022
		After adjustment	Before adjustment		
Revenue	32,473,033,766.06	37,002,229,438.89	37,002,229,438.89	-12.24	40,203,207,773.29
Net profit attributable to shareholders of the listed company	3,494,725,837.36	3,477,326,647.54	3,477,326,647.54	0.50	3,633,640,258.62
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	3,268,375,928.61	3,266,204,579.74	3,266,204,579.74	0.07	3,416,830,555.97
Net cash flow generated from operating activities	5,236,128,730.31	2,058,033,862.99	2,058,033,862.99	154.42	2,082,161,660.88
	At the end of 2024	At the end of 2023		Change as compared with the end of last year (%)	At the end of 2022
		After adjustment	Before adjustment		
Net assets attributable to shareholders of the listed company	48,025,007,375.97	46,812,051,906.86	46,812,051,906.86	2.59	45,323,917,197.95
Total assets	117,890,875,515.13	118,990,487,731.74	118,990,487,731.74	-0.92	116,806,544,483.88

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

ii. Key accounting data

Key accounting data	2024	2023		Change as compared with the corresponding period of last year (%)	2022
		After adjustment	Before adjustment		
Basic earnings per share (RMB/share)	0.32	0.32	0.32	–	0.33
Diluted earnings per share (RMB/share)	0.32	0.32	0.32	–	0.33
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.30	0.30	0.30	–	0.31
Weighted average rate of return on net assets (%)	7.34	7.54	7.54	Decreased by 0.2 percentage point	8.17
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	6.86	7.08	7.08	Decreased by 0.22 percentage point	7.68
R&D investment as a percentage of revenue (%)	6.28	5.51	5.51	Increased by 0.77 percentage point	4.66

Key accounting data and financial indicators of the Company in the past three years as at the end of the Reporting Period

☐ Applicable ☒ Not applicable

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

VII. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

- i. **Differences in net profit and net assets attributable to shareholders of the listed company in the financial reports disclosed under IAS and CAS**

☐ Applicable ☒ Not applicable

- ii. **Differences in net profit and net assets attributable to shareholders of the listed company in the financial reports disclosed under overseas accounting standards and CAS**

☐ Applicable ☒ Not applicable

- iii. **Explanation of differences in domestic and foreign accounting standards:**

☐ Applicable ☒ Not applicable

VIII. MAIN QUARTERLY FINANCIAL DATA FOR 2024

Unit: Yuan Currency: RMB

	The first quarter (January to March)	The second quarter (April to June)	The third quarter (July to September)	The fourth quarter (October to December)
Revenue	6,509,426,910.25	7,740,882,375.47	6,563,845,030.93	11,658,879,449.41
Net profit attributable to shareholders of the listed company	604,490,948.26	994,572,928.17	759,533,438.23	1,136,128,522.70
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	594,368,032.17	965,926,187.28	712,812,254.73	995,269,454.43
Net cash flow generated from operating activities	2,082,321,318.72	890,396,245.39	427,804,396.10	1,835,606,770.10

Explanation of differences between quarterly data and data disclosed in the periodic report

☐ Applicable ☒ Not applicable

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount of 2024	Amount of 2023	Amount of 2022
Profit and loss on disposal of non-current assets, including the portion offset from the provision for impairment of assets	42,198,751.70	21,116,503.45	29,599,933.66
Government grants recognised in profit and loss for the current period, except for government grants closely related to the Company's normal operating business, in compliance with national policies and in accordance with defined criteria, and having a continuous impact on the Company's profit or loss	219,165,283.24	223,894,550.70	225,886,038.73
Reversal of impairment provision for receivables which are tested individually for impairment	4,626,471.42	–	5,479,157.91
Profit or loss on debt restructuring	2,347,193.67	–	–
Other non-operating income and expenses apart from the aforesaid items	41,308,656.73	24,845,786.43	29,432,450.43
Less: Effect of income tax	45,499,788.83	43,864,184.99	52,080,244.77
Effect of minority interest (after tax)	37,796,659.18	14,870,587.79	21,507,633.31
Total	226,349,908.75	211,122,067.80	216,809,702.65

For items not listed in the Explanatory Announcement No. 1 on Information Disclosure of Publicly Issued Securities Companies – Non-recurring Gains and Losses and classified by the Company as non-recurring gains and losses with significant amounts, as well non-recurring gains and losses listed in the Explanatory Announcement No. 1 on Information Disclosure of Publicly Issued Securities Companies – Non-recurring Gains and Losses defined as recurring gains and losses, reasons should be explained.

☐ Applicable ☒ Not applicable

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

X. FINANCIAL INDICATORS OF NON-ENTERPRISE ACCOUNTING STANDARDS

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	Amount of current period	Amount of last period
Accounting indicator: Net cash flow from operating activities	5,236,128,730.31	2,058,033,862.99
Adjustment item: Net increase in customer deposits and interbank deposits	2,863,121,898.20	137,902,594.74
Non-GAAP financial indicator: Net cash flow from operating activities excluding net increase in customer deposits and interbank deposits	2,373,006,832.11	1,920,131,268.25

Reasons for selecting this non-GAAP financial indicator

The main reason for the Company to choose to exclude the net increase in customer deposits and interbank deposits from net cash flow from operating activities is that the net increase in customer deposits and interbank deposits reflects the changes in deposits taken by the Company's holding subsidiary, CRSC Financial, from its controlling shareholder, CRSC, and its subsidiaries. Excluding the impact of this item can better reflect the net cash flow from operating activities generated by the Company's core businesses, and help investors more accurately understand the Company's cash inflow from operating activities.

Explanation of changes in selected non-GAAP financial indicators or adjustment items compared to the previous year

☐ Applicable ☒ Not applicable

Reasons for the increase or decrease of this non-GAAP financial indicator in the current period

In 2024, the Company's net cash flow from operating activities after excluding the net increase in customer deposits and interbank deposits was RMB2,373,006,832.11, an increase of 23.59% over the same period of the previous year. The increase was mainly due to the Company's optimisation of its business structure and an overall increase in gross profit margin. As a result, the decrease in cash paid for goods purchased and services received was greater than the decrease in cash received from the sale of goods and receipt of services, leading to an increase in this indicator compared with the previous year.

SECTION III BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS (CONTINUED)

XI. ITEMS MEASURED AT FAIR VALUE

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name of Project	Opening balance	Closing balance	Current change	Amount of impact on current profits
Receivables for financing	972,719,326.28	775,835,849.40	-196,883,476.88	—
Other equity instrument investments	<u>1,223,290,285.94</u>	<u>1,212,543,806.03</u>	<u>-10,746,479.91</u>	<u>—</u>
Total	<u>2,196,009,612.22</u>	<u>1,988,379,655.43</u>	<u>-207,629,956.79</u>	<u>—</u>

XII. EXPLANATION OF DISCLOSURE SUSPENSIONS AND WAIVERS DUE TO STATE SECRETS, TRADE SECRETS, ETC.

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS

I. DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS

In 2024, the Company focused on enhancing its core functions and improving its core competitiveness, optimising its development strategy, and consolidating its development consensus. The Company further concentrated on its main responsibilities, core business, and key sectors, expanding new drivers for economic development and striving to avert significant operational risks. In 2024, the total amount of new contracts signed by the Company was RMB50.069 billion, representing a year-on-year decrease of 31.53%. Specifically: in the railway sector, RMB25.637 billion, an increase of 2.09% year on year; in the urban rail transit sector, RMB10.006 billion, a decrease of 24.09% year on year; in the overseas sector, RMB5.919 billion, an increase of 58.27% year on year; and in the engineering, procurement and construction and other sectors, RMB8.508 billion, a decrease of 72.63% year on year. By the end of 2024, the Company had a total order backlog of RMB122.89 billion.

In the railway market, the Company promoted both stock and incremental business simultaneously, achieving steady progress. The Company secured over ten key high-speed rail weak current system integration projects, including the Shanghai-Nanjing-Hefei, Hefei-Wuhan, Zhangzhou-Shantou, Nanchang-Jiujiang, Panzhou-Xingyi, Weifang-Suqian, Shaoyang-Yongzhou, Shenzhen-Jiangmen, and Hepu-Zhanjiang high-speed railway projects, maintaining its leading position. It also undertook several key projects, including the integration of electrical systems for the Fuxing high-speed trains operating at 350 km/h, the integration of weak current systems for the Lop Nur to Ruoqiang railway, the relocation of the “three-electrical” systems on the Zhuhai-Zhaoqing high-speed railway’s Pearl River section, the relocation of the “three-electrical” systems for the Shenzhen to Shenzhen-Shanwei Cooperation Zone railway, the EPC for passenger service operations on the Yangquan-Shexian Railway, the electrification transformation of the Yiyang to Loudi section of the Yiyang-Zhanjiang line, the information systems for Nanjing North Station and Shanghai East Station, among many other significant projects, achieving diversified progress. The Company also successfully promoted new products such as the 400T train-mounted system, full electronic interlocking, integrated adjustment system, 400M wireless train control, and network security, effectively accelerating the transformation of technological achievements.

In the urban rail transit market, the Company further strengthened its operational responsibilities and, despite the adverse situation of a national decline in tender volumes, maximised the narrowing of the decrease. The Company successively undertook more than ten urban rail signal system integration projects, including the Chongming Line in Shanghai, Line 6 in Jinan, Line S1 in Hefei, Line 4 in Shijiazhuang, Line 5 in Wuxi, the Shenzhen-Huizhou Intercity Railway, the Jiamin Line of Shanghai’s suburban railway, the Nanhui Branch Line, and the Demonstration Zone Line, maintaining its leading position in the industry. It also undertook relevant professional engineering projects in Beijing, Shanghai, Tianjin, Chongqing, Shenyang, and Hefei, consolidating the basic market of urban rail transit. The Company took on key design tasks for the Beijing Subway Lines 5, 10, 19, and 25, enhancing its design capabilities. The growth of smart operation control and smart operation and maintenance business operations exceeded 30%, and the operation and maintenance business grew by over 80%, further seizing the market’s incremental opportunities.

In the overseas market, the Company’s business layout and the effects of its capability improvement were further evident. The Company undertook major projects such as the supply and integration installation EPC for the signal system of the North Axis Line of the São Paulo Intercity Railway in Brazil, the EPC of the “three-electrical” system integration for the Morébaya-Simandou Railway in Guinea, the procurement of the signal and train operation control system for the Morébaya-Simandou Railway in Guinea, and the supply and service procurement of the weak current integration system for the South Extension Line (Phase III) of the 10th of Ramadan Railway in Egypt, maintaining a good trend of continuous growth.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

In the EPC and other markets, the Company conducted an in-depth analysis of changes in the external environment and, in line with its internal development plans, accelerated its exit from the municipal and housing construction business. At the same time, it focused on optimising its business structure, vigorously promoted the expansion of intelligent control technologies, and facilitated the transformation and upgrading of its subsidiary companies towards sectors such as rail transit, closely related industries, low-altitude economy, smart cities, intelligent transportation, and smart operations. As a result, the quality of the contracts undertaken was improved. The Company has targeted the domestic low-altitude economy as a first-mover market and signed strategic cooperation agreements with cities such as Hefei, Suzhou, Nanjing, Chengdu, Nan'an, Guangzhou, Xiong'an, Tongzhou, and Wuxi. It has established joint ventures in cities including Hefei, Shijiazhuang, Qingdao, and Nujiang. The Company is actively expanding the "rail + low-altitude" application innovation, deepening project cooperation, and contributing to the formation of new models and business formats for the low-altitude economy, promoting the large-scale and intelligent development of the low-altitude economy. In fields such as low-altitude intelligent control systems, drone intelligent inspection, and panoramic vision systems, commercial contract orders have achieved breakthroughs. In partnership with Zijinshan Laboratory, the Company released the "One Tower, One City" low-altitude communication private network solution in January 2025, becoming the first to implement 6G non-cellular technology in the low-altitude field. The Company has also teamed up with CITIC Group to launch the "Air-Rail Intermodal" cross-sea route, creating the nation's first "low-altitude + railway" cross-sea integrated transportation demonstration scenario. Leveraging its communication expertise, the Company has undertaken the 3.0 dual-intelligence private network project for the high-level autonomous driving demonstration zone in Beijing. It is focusing on expanding its business in four key sectors—communication information, electricity, automotive electronics, and industrial control—outside the rail transit sector. Orders for the Company's self-owned M-series battery swap station products have also started to be received.

In 2025, the Company will seize the good opportunities arising from the recovery of railway investment and the stabilisation and recovery of the urban rail transit market. Guided by strategy, the Company will accelerate business structure optimisation and layout adjustment. Driven by innovation, it will comprehensively enhance high-quality technology supply. With the market as the benchmark, the Company will fully improve its operational and value-creation capabilities, focusing on improving transport efficiency and reducing operating costs in the rail transit industry. The Company will promote full lifecycle management of new construction, operation and maintenance, and renovation projects, further stabilising existing business and expanding new business. In the overseas business sector, the Company will further benchmark itself against world-class enterprises, continuously optimise its operational layout, enhance comprehensive competitiveness, and maintain a good growth trend year on year. In the EPC and other sectors, the Company will continue to focus on its core responsibilities and business, accelerate its exit from the municipal and housing construction sectors, and concentrate on the two main sectors of "rail transit + low-altitude economy." The Company will develop intelligent business in areas such as smart rail transit, smart low-altitude economy, smart cities, and intelligent operations, continuously exploring new economic growth drivers.

Analysis and Outlook on Performance Changes under Non-Enterprise Accounting Standards

☒ Applicable ☐ Not applicable

In 2024, the Company's net cash flow from operating activities after deducting the net increase in customer deposits and interbank deposits was RMB2,373,006,832.11, an increase of 23.59% over the same period of the previous year. The increase was mainly due to the Company's optimization of its business structure and an overall increase in gross profit margin. As a result, the decrease in cash paid for goods purchased and services received was greater than the decrease in cash received from the sale of goods and receipt of services, resulting in an increase in this indicator compared to the previous year.

Looking to the future, the Company will seize the window period for local governments to reduce debt, step up efforts to collect accounts receivable, accelerate the optimisation of its business structure and adjustment of its layout, enhance its capacity for technological innovation, improve its weaknesses, comprehensively improve its operational capabilities, enhance its value creation, generate more profitable revenue and cash flow profits, continuously improve its ability to generate cash flow from operating activities, and continue to create value for investors.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

II. MAJOR BUSINESSES AND OPERATION MODE, INDUSTRY INFORMATION AND RESEARCH AND DEVELOPMENT INFORMATION OF THE COMPANY DURING THE REPORTING PERIOD

i. Major businesses, major products or services

Since its establishment, the Company has undertaken the responsibility of developing national industries and technologies. It has long focused on the research and exploration of rail transit control system technologies and their derivative applications. As a core enterprise ensuring the safe operation of national rail transit, the Company continuously provides high-quality, integrated services across the entire industrial chain of rail transit control systems to global customers. The Company attaches great importance to the accumulation of technology and continuous innovation, and takes innovation as the eternal theme and the first driving force for the sustainable development of CRSC. In active response to the frontier of world science and technology, the Company accelerates scientific and technological innovation and transformation of achievements, leads the technological development of the industry, and strives to maintain the leading position in the industry. While providing safe and efficient core technical support for the operation of national rail transportation, the Company continues to utilise profound technological accumulation to expand new market, and support the national modernisation and digital development construction.

The core businesses of the Company's rail transportation cover: 1) Design and integration, mainly includes provision of system integration services for related products of rail transportation control system and provision of design and consultancy services mainly for construction of rail transportation projects; 2) Equipment manufacturing, mainly includes producing and selling signal system, communication information system products and other related products; 3) System implementation, mainly includes construction, equipment installation and maintenance services for rail transportation control system projects.

During the Reporting Period, the Company adjusted its overall development strategy, adhering to "intelligent control" as its core technology. It focused on the "two pathways" development of rail transit and low-altitude economy, consolidating and expanding the integrated advantages of the full industrial chain in rail transit communication signal engineering design, train control system equipment, and engineering technical services. The Company also cultivated the low-altitude airspace control industry, drone manufacturing industry, and service operations industry, building a "three in one" industrial layout for the low-altitude economy. The Company strengthened its position as the main body of technological innovation, fostered the development of new quality productive forces, enhanced its service to national strategic functions, and accelerated the construction of a world-class high-tech industrial group with global competitiveness.

During the Reporting Period, the Company continued to optimise and upgrade the rail transit control system industry, accelerating the digital and intelligent upgrade of the signal industry and promoting the systematic development of product portfolios. It further consolidated its integrated advantages in the rail transit "three-in-one" full industrial chain. The Company also accelerated its entry into the new low-altitude economy track, clarifying the development path for technological innovation, industrial layout, and market promotion. The "three industries and one ecosystem" industrial layout for the low-altitude economy began to take shape. In terms of product research and development, the Company independently developed the low-altitude airspace control system (ID-Space), which was successfully implemented in Nan'an. In terms of technological innovation, the Company collaborated with an academician and expert team to build a "1+4" joint innovation

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

system, with “low-altitude airspace control” as the core and four research areas—“low-altitude communication, perception countermeasures, digital infrastructure, and drones”—working in synergy. The Company successfully applied for the “Low-Altitude Airspace Control Beijing Key Laboratory.” In terms of industry standards, the Company participated in and completed the preparation of the Low-Altitude Intelligent and Connected System Reference Architecture (2024 Edition) white paper led by the Ministry of Industry and Information Technology, responsible for compiling the application system layer content in the “five parties, three layers, two systems.” In terms of scenario applications, the Company, in partnership with CITIC Group, China Post, and China Tower, built full-scenario application demonstrations in low-altitude traffic, logistics, industrial inspection, and urban management. These efforts helped realise demonstration projects such as Hefei industrial inspection, Chongqing subway inspection, Yunnan Nujiang Prefecture cao guo transportation, and Guizhou Rongjiang County “village supermarket + low altitude”.

During the Reporting Period, the Company's core business remained to be rail transit control systems and its derivative business, with no significant changes in the business composition.

ii. Main business model

The Company has focused on the field of rail transportation control system in China, and has a deep understanding of China's railway and urban rail transit policy, operating model, market environment and other market elements. The business model adopted is fully adapted to the market environment, which is stable and efficient. The Company fully utilises its first-mover technological advantages in intelligent control and resource synergy capabilities, extending intelligent control technologies into the low-altitude economy sector. It continuously optimises technological innovation and system solutions in the low-altitude field and has innovatively proposed the “rail + low-altitude” integrated development model, where two pathways work together and develop synergistically.

The Company mainly acquires orders through public bidding, while the procurement of production raw materials primarily follows a centralised procurement model. In the rail transit sector, the Company relies on efficient and well-proven business models in design integration, equipment manufacturing, and system delivery to provide customers with comprehensive or customised professional services in rail transit control systems. In the low-altitude economy sector, the Company has been offering customers product research and development and applications for low-altitude airspace control systems, manufacturing and sales of drone-related equipment, and scenario operation services in industrial inspection, low-altitude logistics, and manned transportation.

1. Sales model

The Company is active in the purchasing by invitation to bid of domestic users as well as in the purchasing activities of foreign users. The market operations division of the Company, as the centralised management department of marketing and sales, is responsible for formulating and perfecting systems and formulating marketing management regulations, and supervising and inspecting the marketing and sales activities at all levels of the Company. Giving full play to its core technology and brand influence in the industry and adhering to the philosophy of providing safe and highly reliable products and high-efficiency services oriented at customer needs, the Company obtains orders for products and services through market-oriented methods such as bidding and business negotiations.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

2. *Production and service mode*

In order to comply with the overall operation mode of railway and urban transit system in the PRC, the Company has established a mature and stable production and service model for design and integration, equipment manufacturing and system implementation etc. Relying on its strong technical strength, it can provide customised production and services according to the specific needs of domestic and foreign owners. The Company provides relevant products and services in strict accordance with the contract requirements on schedule and quality. The engineering technical division of the Company, as the centralised production and service management department for design and integration and system implementation, and the science and technology innovation and information department, as the centralised production and service management department for equipment manufacturing, are responsible for formulating relevant production and service management systems and for supervising and inspecting production and service activities at all levels of the Company, respectively.

3. *Procurement model*

All procurement activities of the Company were conducted in strict compliance with relevant national laws and regulations and the Administrative Measures for the Procurement in China Railway Signal & Communication Corporation Limited. The Company selected procurement methods including public tender, tender invitation and competitive negotiation according to the specific conditions to ensure procurement efficiency. The Company mainly implements a centralised procurement system, under which the Company's market operation division acts as the centralised management department for procurement activities and is responsible for formulating and revising the relevant system of procurement management, monitoring and reviewing the procurement activities at various levels of the Company. The centralised procurement system is carried out at two levels, including two modes, namely the centralised procurement by the Company's headquarters and the centralised procurement by subordinate secondary enterprises. Secondary enterprises also have a sound procurement management system, under which the procurement activities of subordinate enterprises are independently and centrally managed by the specialised procurement department.

4. *Management model*

The Company implements a market operation and management system with the headquarters of the joint-stock company taking the lead, secondary enterprises responsible for operation and tertiary enterprises responsible for implementation, to build a coherent, coordinated, scientific and efficient internal organisation system. By improving the management structure system of "headquarters– secondary enterprises – tertiary enterprises" and realizing the coordination of "strategy leading and control center – business operation and profit center – execution center and cost center," the headquarters highlight the six orientations of strategic decision-making, resource allocation, safety and quality supervision, science and technology innovation coordination, industrial incubation and risk management and control, and give play to strategic control, integration of scientific and technological resources, new industry incubation, etc., to build a stronger headquarters featuring "strategic + operational control." Positioned at the seven orientations of strategy execution, market development, business operation, income and profit, science and technology innovation, safety and quality management, and talent cultivation, secondary enterprises give play to the main role of operation, innovation and industry to achieve common enhancement of business and economic efficiency. Positioned at business execution and cost control, tertiary enterprises provide support for business, level up fine management, and increase efficiency and effectiveness, to create a more optimal input-output ratio.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

iii. Industry overview

1. *Industrial development stage, basic characteristics and main technical thresholds*

Seen from the perspective of global railway industry, according to Oxford Economics' forecast on investment in infrastructure construction for all regions of the world, total investment amount in railroad around the globe is expected to grow from USD382 billion in 2020 to USD565 billion in 2040, at a compound annual growth rate of 1.88%. In terms of cumulative investment amount, cumulative investment in railroad infrastructure is expected to reach USD5,137 billion during the 21 years from 2020 to 2040 around the globe, excluding China. In addition to China, Europe is still the top destination of future investment in railroad infrastructure. From 2020 to 2040, cumulative investment in railroad in Europe will reach USD2,385 billion, with Asia (excluding China) ranking the second with an estimated investment of USD1,602 billion, followed by the Americas with an estimated investment of USD823 billion, Australia with an estimated investment of USD169 billion and Africa with an estimated investment of USD158 billion. Railroad infrastructure construction will maintain a relatively high growth momentum around the globe.

In the domestic railway industry, fixed asset investment stabilised and rebounded from 2023, reaching a historical high of RMB850.6 billion in 2024, returning to a high-level investment. The total investment during the 14th Five-Year Plan period is expected to exceed RMB3.8 trillion, which is roughly the same as the total investment during the 13th Five-Year Plan period. With the continuous growth of China's railway operating mileage, investments in railway renovation and operation and maintenance have shown an increasing trend. More than 10,000 kilometers of high-speed railroads opened to traffic in early stages of the 11th Five-Year Plan and 12th Five-Year Plan have entered the stage of overhaul and renovation. For general speed railroads, as the new mileage increases gradually, focus will be on the electrification, upgrading, capacity expansion and renovation of existing lines. Reconstruction and expansion of other railway projects is also underway. Therefore, the domestic railway industry is in a development stage that focuses equally on both new construction and upgrading and renovation.

Seen from the perspective of the global urban rail transit industry, the structure of urban rail transit varies greatly from region to region in the world due to the stage of urban development and development mode, with subways being the main urban rail transit in Asia and the Americas, and trams being the main urban rail transit in Europe. According to data from international research institutions, including the International Association of Public Transport (UITP), during the 14th Five-Year Plan period, the global urban rail transit network (excluding China) is expected to add between 8,000 and 10,000 kilometres of new rail lines. Of this, approximately half of the new mileage will be added in Asia (excluding China), ranking first, followed by Europe and North America, indicating a large market space.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

In terms of the domestic urban rail transit industry, since the 14th Five-Year Plan period, China has added over 4,000 kilometres of urban rail transit operational mileage. By the end of the period, it is expected to exceed 5,000 kilometres, surpassing the total new operational mileage added during the 13th Five-Year Plan period. By the end of 2025, the total operational mileage of urban rail transit nationwide is expected to reach over 13,000 kilometres, with Shanghai and Beijing each expected to have urban rail transit networks exceeding 1,000 kilometres. The 14th Five-Year Plan period is expected to maintain a high level of investment, with the market size for signal control system equipment expected to be around RMB10 billion annually. The demand for medium- and small-capacity urban rail systems, such as suburban rapid transit, cross-sitting monorails, and automated guided rail transit, will gradually be released. The renovation and upgrading of early metro lines will also accelerate. It is expected that China's urban rail transit industry will remain in a period of stable development.

The rail transportation control system industry features high access barrier in terms of the core technology and there are extremely high requirements for the safety, reliability, stability and sustainability of the products and services provided by enterprises, which requires relevant suppliers to have strong technology R&D capabilities, sophisticated industry technology capabilities, full-fledged product development and testing and verification capabilities and possess strong anti-risk ability and ability to rapidly respond to demand to consistently provide reliable and high-quality products and services in the long run. It also has significant cyclical characteristic in the industry, which is determined by the nature of rail transit construction and maintenance itself and the iterations of the core components of the related product systems. According to the requirements of relevant technical specifications and industry practices, the life cycle of high-speed rail transportation control system is generally about 10 to 15 years, while certain outdoor equipment systems are subject to shorter update cycles due to environmental factors.

The low-altitude economy has been included in the government work report for two consecutive years. In 2025, it was proposed to promote the safe and healthy development of emerging industries such as commercial space and the low-altitude economy. The Ministry of Industry and Information Technology, the Ministry of Science and Technology, the Ministry of Finance, and the Civil Aviation Administration of China issued the General Aviation Equipment Innovation and Application Implementation Plan (2024–2030), which aims to promote the formation of a trillion-level market for the low-altitude economy by 2030. Currently, the low-altitude economy is in a stage of development from point to area, facing practical challenges such as cross-regional connectivity, interconnection among multiple supply entities, and regional integration of flight operations. The Company, with its deep technical accumulation and resource integration capabilities, is fostering the development of the low-altitude economy. This is not only a necessary requirement for fulfilling the responsibilities and mission of a central enterprise and serving the country's major strategies, but also an objective need to align with the new round of technological revolution and industrial transformation. More importantly, it is a practical choice for its own high-quality development. In response to the industry pain point of "if you cannot control it, you cannot fly," the Company has formed a joint innovation team consisting of industry, academia, research, and application, and innovatively launched a low-altitude airspace intelligent control system. Based on speed differential stratification and group flight control technologies, the system provides customers with safe, flexible, efficient, and intelligent low-altitude airspace control products and services.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

2. *Analysis of relevant industrial status and changes thereof*

Although the market landscape is constantly changing and competition is becoming increasingly fierce, the Company, as a world-class provider of rail transit control system solutions, continues to maintain its leading position in the industry. As of the end of 2024, the cumulative contracted mileage covered by the Company's core products and services of high-speed railway control system continued to rank the first in the world. The Company's market share continued to occupy the leading position in the industry in terms of the domestic high-speed railway control system integration projects as well as the core equipment of track circuit, centralised traffic control system, computer interlocking, CTCS-3 on-board ATP system, RBC, train control center and other products. In the field of domestic urban transit, the Company's core products of urban transit control system have covered more than 180 routes in over 40 cities of the PRC which have been in operation and completed the bidding of control system, continuing to be in the leading position of the industry. By accelerating its overseas business layout, continuing to strengthen investment in overseas market resources and making full use of the high-quality opening and advancement of overseas projects such as the Hungary-Serbia High Speed Railway and the Jakarta-Bandung High Speed Railway, the Company has won a good reputation, so as to strongly enhance its brand power and influence in the global rail transit market, and is gradually becoming an important player in the field of international rail transportation control systems.

The Company is actively planning for strategic emerging industries and fostering its entry into the low-altitude economy sector. Leveraging its core technology advantages in rail transit control systems, the Company is extending its ground dispatch systems into the low-altitude economy field. It has independently developed a low-altitude airspace intelligent control system, which balances safety and efficiency. The system features efficient operation control, automatic countermeasures, and other capabilities, addressing key issues such as inter-aircraft spacing and tracking operations, conflict detection and obstacle avoidance, and non-cooperative drone identification.

The Company will continue to grasp the favorable trends and opportunities in the development of the industry in the future, insist on the technology-led, innovation-driven, digitally empowered and capital-assisted principle to build an "innovative, technology-based, digitally intelligent and international" enterprise, develop into a rail transit industrial group featuring more advanced technology innovation, more reliable and safe system, more rational industry layout, more optimised business structure, more advanced management, better quality and efficiency, and more trustworthy brand image, and strive to become a world-class enterprise.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

3. *Development of new technology, new industry, new business type and new mode during the Reporting Period and future development trend*

With the rapid development of economy in the PRC and the acceleration of the development of city clusters, arterial railways, intercity railways, urban (suburban) railways, urban rail transit and other systems have played a major role in the transportation in the city clusters. However, due to the limitation of management model and technological development, the various modes in the region do not link with each other, restricting the improvement of transportation efficiency and service quality. With the rapid development of big data analysis, Internet+, Internet of Things, artificial intelligence, image recognition, network communication and other technologies, the realisation of the collaborative transportation in regional rail transportation and the research on integrated service theory and technology have become feasible. Based on various advanced information technologies, the strongest “smart brain” for regional rail transportation will be built, which can deduce the situation of passenger low, train low, and facilities and equipment in real time, provide coordinated preparation and dynamic adjustment of the entire network transportation plan, and strengthen comprehensive support and linkage response processing so as to achieve new reforms in regional rail transportation, enhance the attractiveness of rail transit, alleviate urban traffic congestion, and promote the high-quality development of city clusters. At present, the Company has independently developed the collaborative transportation and service system of regional rail transportation, and has completed field demonstration application.

The Outline of the 14th Five-Year Plan for National Economic and Social Development and Vision 2035 of the People's Republic of China put forward the requirement of building modern metropolitan areas: China will improve the coordinated development of one-hour commute circles by relying on the central cities with strong capacity to facilitate the development of surrounding areas, and foster several modern metropolitan areas with a high degree of urban integration. With intercity railways, suburban railways, and other rail transits as the backbone, we will eliminate all kinds of “dead end roads” and “bottleneck roads”, promote effective connection of intra-city and inter-city traffic and integration of “the four networks” – trunk, intercity, suburban, and urban railways, and improve the connectivity of infrastructure in metropolitan areas. The share of construction of urban (suburban) railways/intercity railways in the railway infrastructure sector has seen a gradual increase. According to the needs of urban (suburban) railways in different regions, the Company has carried out the integrated research of multi-mode control systems, completed the research and development of compatible on-board equipment, and completed the field test for 3-minute automatic turn-back and 20-second automatic manipulative side change functions of the CTCS2+ATO system in urban railways.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

The Five-Year Action Plan to Accelerate the Building of China's Strength in Transportation (2023–2027) sets clear strategic goals and action tasks for accelerating the building national strength in transportation over the next five years. It proposes 53 key tasks, emphasizing the need to improve the foundation of technological innovation, strengthen the construction of strategic and basic technological capabilities in transportation, accelerate the development of smart transportation, and establish a comprehensive transportation technology innovation system. It proposes to focus on addressing bottlenecks in transportation equipment such as vehicles, engineering machinery, production equipment, and emergency protection equipment, and promote collaborative breakthrough and demonstration application along the upstream and downstream of the entire industry chain to enhance the independent research and development capabilities and levels of relevant technologies and products. The Company is vigorously promoting the reform of its scientific and technological innovation mechanism, and expeditiously accelerating the research on communication and signal system plans for major railway projects. Additionally, it is speeding up independent innovation in advanced science and technology, and focusing on the construction of smart urban rail transit, thereby contributing to the "Beijing-Tianjin-Hebei on Rail", the higher quality integration of transport in the Yangtze River Delta region, the integration of integrated transport in the Chengdu-Chongqing region, and the construction of transport in the Guangdong-Hong Kong-Macao Greater Bay Area, and implementing the significant deployment of transportation into the actions and tasks of the enterprise.

The Program of Building National Strength in Transportation stated: By 2035, the building of national strength in transportation in the PRC will have been basically finished. The transport structure will be optimised, the construction of key "highway-to-railway transportation" projects such as port collecting and distributing railway, and special railway lines for logistics parks and large industrial and mining enterprises will be accelerated, and the orderly transfer of bulk cargo and medium and long-distance cargo transportation to railway and water transportation will be promoted in the PRC. The railway transportation industry has ushered in important development opportunities. Railway transportation enterprises need to improve the efficiency of transport organisation, expand development space, improve traditional transport organisation methods, production operation methods, marketing service methods and information service methods, strengthen transport scheduling and command, enhance business collaborative operation, improve transport organisation efficiency, raise freight train transport capacity, compress the whole operation time and ensure the time limit for cargo delivery. The Company has independently developed an integrated dispatching & commanding management system for railway freight, and has completed field application demonstration. Meanwhile, based on China's high-speed rail control and autonomous driving technology, the Company independently developed a high-density automatic operation control system for ad-hoc network of heavy-haul freight trains, with the aim of improving transport efficiency, tapping the driving potential, increasing the quality of freight train operation, reducing the labor intensity of drivers and transport energy consumption, significantly enhancing the comprehensive efficiency of freight rail transport, and meeting the growing demand for capacity and volume of heavy-haul railways in China.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

The Opinions on Accelerating the Construction of a Unified and Open Transportation Market propose: deepening the reform of the system and mechanisms in industries such as railways, highways, waterways, civil aviation, and postal services, improving institutional rules, promoting cross-regional coordination and layout of transportation, integrated connections across different modes, and coordinated development across sectors, in order to form a unified and open transportation market. This will enhance the efficiency of comprehensive transportation and accelerate the construction of a strong transportation nation. The continuous advancement of air traffic control system reform and the deepening of low-altitude airspace management reform are also key priorities, along with the development of general aviation and the low-altitude economy. The construction of transportation infrastructure should also be appropriately advanced, with an emphasis on accelerating the building of the main framework of the national comprehensive three-dimensional transportation network and enhancing the capabilities of national comprehensive freight hubs. The green and intelligent transformation and upgrading of transportation should be promoted, strengthening the sharing of transportation energy consumption and carbon emission data. The empowerment of transportation development through data and technology should be advanced. With the implementation of these policies, it is expected that there will be an increased demand for equipment and systems related to multi-modal transport such as rail-water, road-water, and air-land, as well as intelligent operation control, and big data centres.

Currently, numerous countries are aiming to develop high-speed railways with speeds exceeding 400 km/h. To sustain China's speed leadership in high-speed rail, the country has launched the "CR450 Scientific and Technological Innovation Project" as a priority initiative in its 14th Five-Year Plan. Additionally, construction has commenced on the Chengdu-Chongqing high-speed railway middle line, scheduled for on-site testing in 2026 and for operation in 2027. Subsequently, existing high-speed railway lines in optimal condition will also undergo necessary speed increase and upgrade. Currently, the Company is engaging in research for advanced train control systems tailored for high-speed railways, and targets the market of newly-constructed high-speed railways at more than 400 kilometers per hour as well as the speed increase and upgrade of existing high-speed railways. This research aims to deliver systematic solutions and cutting-edge technological equipment for both scenarios, addressing challenges related to safety control and equipment reliability for existing C3 systems supporting speeds of 450 kilometers per hour, and enrich and expand China's high-speed railway train control technology's theoretical foundation and practical engineering experience, which will facilitate widespread modernisation of railway network throughout the country.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

iv. Core technologies and R&D progress

1. Core technology and its leading edges and changes during the Reporting Period

The Company focuses on technology research & development, and promotes sustainable development of its overall business by technology innovations. Since its establishment, the Company has been working in the field of rail transportation control system, and owned many industry-leading core technologies leveraging on its outstanding technology innovation strength. As of now, the Company has 5,248 authorised patents in China, including 3,091 authorised invention patents, which protect its core technologies. Meanwhile, the Company signed special confidentiality agreements with relevant technicians regarding core technologies to ensure that core technologies would not be disclosed or spread.

The core technologies owned by the Company primarily include but not limited to the below:

No	Core technology	Source of technology	Technical level and degree of application
1	Train operation control technology	Independently researched and developed	Train operation control technology has been widely used in HS Rs, ICR s and urban transit, which provides core technical guarantee for safe and high- efficient operation of rail transportation. Responding to the demand for highly safe and reliable operation of rail transportation, this technology has addressed certain significant technology issues such as dynamical control curve model of train, precise positioning of train, speed and distance detecting of train, onboard fully functional seamless switch, wireless redundancy coverage of multiple doubling railways, moving blocking and railway network connectivity.
2	Automatic unmanned train operation technology	Independently researched and developed	Automatic unmanned train operation technology has been successfully applied in the fields of HSRs, ICRs and urban transit. Based on train control system, by using this technology, automatic train operation is realised; through advanced automatic driving control algorithm, certain significant technology issues such as calculation of desired speed curve of train operation, the algorithm of precise stop of train, intelligent control of multiple objects, perception of status in complex operation environment, remote safe control have been addressed, and multiple indicators such as punctuality rate of operation and train parking accuracy and ride comfort and operation consumption have been improved.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
3	Integrated automation technology of freight railway	Independently researched and developed	Integrated automation technology of freight railway has been widely used in many marshalling yards in national railway and dispatch centers of railway bureaus, which provides core technology guarantee in improving railway freight efficiency, benefit and safety. The technology has addressed some significant technology issues such as intelligent calculation of freight traffic, intelligent adjustment of running line of railway wagons, intelligent preparation of locomotive usage plan and shunting plan, smart issuance of periodical maintenance and repair plan of vehicles, source control of train operation, as a result, the railway freight efficiency and intellectualisation level have been improved.
4	Train traffic control automation technology	Independently researched and developed	Train traffic control automation technology has been widely used in HSRs, ICRs, urban transit and some normal-speed railways. This technology integrates computer technology, network technology and control technology, forms a closed-loop system of train operation dispatch and instruction, addresses technology issues such as train tracing, automatic control for hump rolling routes, prevention and control of mistaken receiving- departure at multi- directional hub station, train dispatch management and control at sectional station and intermediate station and intelligent adjustment of operation plan, as a result, automation level of operation instruction and emergent handling level under fault conditions have been improved.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
5	Intelligent detection, operation and maintenance technology of rail transportation	Independently researched and developed	Intelligent detection, operation and maintenance technology of rail transportation has been successfully used in the fields of HSRs, normal- speed railways, urban transit. This technology has used big data system and cloud service technology to promote the development of rail transit inspection operation and maintenance to the direction of digitisation, intelligence and informatisation. With the technologies such as diverse integration of intelligent perception, multi-drive engines integration of analysis and judgement, Big Data health assessment analysis as breakthrough points, through expert system, mode identification, trend analysis, comprehensive appraisal, comprehensive positioning and mobile internet, it has realised the advance prediction of rail transit operation risks, active maintenance and health management of key equipment during whole lifetime based on all factors such as personnel, equipment, environment and operation and maintenance processes, improved the maintenance efficiency of equipment, effectively shortened breakdown time, and significantly decreased the failure rate of equipment.
6	Train control integration technology	Independently researched and developed	The train control integration technology has been widely used in the fields of HSRs, ICRs, urban transit. Through the integrated engineering software design platform integrating data platform technology and graphic software technology, the technology has been applied to make engineering design, data allocation, automatic compiling an organic entirety, resulting in the improvement of software integration; by summarizing features of domestic hub and utilisation scenario, an integration process of site installation, commissioning, test and construction standardisation has been built. This technology is appropriate for the connectivity of different modes of equipment with various operation grades at newly- built routes, reconstructed routes and complex hubs.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
7	Safe computer platform technology	Independently researched and developed	The safe computer platform technology has been widely used at the train operation control system centers, stations, onboard safe control devices, which provides a very safe, reliable, high- performed and expandable basic software and hardware platform for products. This technology has addressed some core technology issues such as safe drive and collection based on electronic components, clock level multi-machine synchronous comparison, operation fault detection and fast redundancy switch, and it has been granted highest grade safety certification of International Functional Safety Standard.
8	Mobile frequency key control signal safety modulation technology	Independently researched and developed	Mobile frequency key control signal safety modulation technology has been widely used in the fields of HSRs, ICRs and normal-speed railways. This technology has built a set of fault-safety rail circuit system with mobile frequency key control signal as power and rail as conductor, addressed contactless safety signal source technology, mobile frequency key control signal digital spectrum analysis technology, all-region at transmission channel detection technology, and realised safe and core functions covering rail section occupancy- idling detection, transmitting information to train through rail, and real-time detection of completeness of rails.
9	Turnout switch technology	Independently researched and developed	Turnout switch technology has been widely used in the fields of HSRs, normal-speed railways, heavy- haul railways and urban transit in the PRC. This technology has addressed the major problems in large-size turnout switch synchronization technology, industrial and electrical interface integration, the switch technology of movable point frog of high-speed turnout, external- locking technology of turnouts, established world-leading high speed turnout switch system technology system, and provided powerful safeguard to the development of railway in the PRC.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
10	Rail transportation simulation test technology	Independently researched and developed	Rail transportation simulation test technology has been widely used in the fields of HSRs, ICRs, freight railways, urban transit, which provides support to test and verification processes at various stages of lifetime from plan verification, function development, system integration to engineering execution of train control system, freight and train operation instruction system. This technology has addressed some significant technology issues such as simulation test structure based on distribution semi-physical, modelling approach for complex engineering system, multi-source data at multi-level traceable test management method, automatic test, reappearance of fault and analysis, safe control system interface monitoring, test of optimization deployment of environmental resources, aiming at the requirements of large scale of simulation of tested object, greater isotacticity and strong instant aneity and higher automation, and the utilization of such technology improved the defect remediation rate and quality reliability of tested system.
11	High precision simulation technology based on coupling of multi-physics	Independently researched and developed	High precision simulation technology based on coupling of multi-physics enables ground rail circuit system to work safely and reliably under railway natural conditions, electromagnetic environment and complicated route conditions, including in the circumstances of coupling of multi-physics of high-speed train rails contact electric shunt, high power electrification traction current disturbance, high-frequency transient signal shock caused by lightening, bridge-roadbed-tunnel multispace structure routes, alternating dry-wet ballast bed and parallel running on complex hub multi routes. This technology has been applied to build a high precision simulation analysis platform with error within 0.5%. The platform was used for precise analysis of transmission features of approximately 10,000 typical deployment rail circuits at engineering.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
12	Manufacture technology of rail transportation safety products	Independently researched and developed	The operation control system of rail transportation has a high requirement to safety and reliability. Based on complete identification of product manufacture risk, the manufacture technology of rail transportation safety products targets the control in the whole process from material selection, manufacture equipment, production technology, test and detection, reliability verification to lifetime analysis, thus providing a systematic quality assurance basis for the safety and reliability of products.
13	Application technology in broadband wireless communication industry	Independently researched and developed	Application technology in broadband wireless communication industry is based on broadband wireless communication technology of LTE-M/R, which can actualise data transmission and integration of multiple operations, improve the efficiency and experience of trunking command direction system. This technology can meet the railway operation business's demand of wireless broadband, terminal intellectualization and business mobilization.
14	Comprehensive video monitoring technology for rail transportation	Independently researched and developed	Comprehensive video monitoring technology for rail transportation has been widely used in the transportation fields such as HSRs and ICRs, which provides comprehensive management system containing video monitoring, Big Data display and visualization for safe operation of rail transportation. Aiming at the demand for all-weather and full – coverage monitoring of rail transportation, this technology has addressed the technology issues such as decoding and forwarding of high definition video stream, concurrent read-write, unity and connect of railway three-stage platform, massive video retrieval, intelligent face recognition and certification, intelligent operation and maintenance, clustering of platform management, dynamic load balance of storage resource and engineering, thus, leading the development of comprehensive video monitoring technology for rail transportation.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
15	Collaborative transportation and service technology of regional rail transportation	Independently researched and developed	Collaborative transportation and service technology of regional rail transportation focuses on the operation and collaborative linkage of trunk railways, ICRs, urban (suburb) railways and urban rail transportation network in city clusters/metropolitan areas to improve the overall regional transportation capacity, and makes breakthroughs in technologies such as refined prediction of passenger flow in composite road networks, preparation and dynamic adjustment of collaborative transportation plans, global safety situation control and emergency linkage command, intelligent station safety management, and passenger information service in the whole trip chain to improve the overall regional transportation capacity, enhance emergency response and operation and maintenance efficiency, and shorten cross-mode travel time of passengers.
16	Intelligent transportation and control technology of light rail transit	Independently researched and developed	With train control as the core, intelligent transportation and control technology of light rail transit, based on cloud computing, sets a unified rail transit cloud platform which is deeply interconnected with and intelligently integrates trains, passengers, environment, facilities, equipment, resources and other information, to realise the functions integrating independent train operation control, comprehensive automation, intelligent travel services, and collaborative transport and emergency command. The intelligent transportation and control system applies to a variety of light rail transit systems such as medium and low speed maglev lines, mountain rail transit, and special tourist lines, presenting the trend of data synthesis and business integration of each professional system equipment and guiding the technical development and application direction of the rail transit systems.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
17	Train autonomous operation technology	Independently researched and developed	Train autonomous operation technology has realised autonomous resource management and active interval protection for the train through three key innovations, namely the optimization of platforms, the streamlining of systems and the refinement of resources. With a simplified structure of the system from a complex one and easily-driven complicated functional applications, it achieved full-process and comprehensive protection. It may apply for rail side resources and achieve direct communication among trains based on the tasks on train operation. With on-board autonomous computing and mobile authorization, it improved the utilization rate of rail side resources. The capability on the real-time handling of key businesses and accurate speed detecting and positioning improved the efficiency of train operation. It may formulate corresponding handling mechanisms based on different business demands and meet the demand for the upgrading of different systems.
18	BeiDou navigation system-based train autonomous operation control technology	Independently researched and developed	With BeiDou Navigation Satellite System as the basis, Bei Dou navigation system-based train autonomous operation control technology has applied diverse integration and train autonomous positioning technology, integrated longitudinal dynamics models, multi-particle longitudinal dynamics models and safety braking models of trains, combined inspection technologies with high safety, autonomy and completeness on wind pressure, location and speed information and applied the block dynamic swift technology with traffic control as the centre and the dynamic railway capacity allocation strategy, achieving the highly- efficient operation of trains, the simplification of rail side equipment and the centralization of central equipment. It shortened train tracking interval and improved the freight transport capacity.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
19	Full-electronic computer interlocking control technology	Independently researched and developed	All-electronic execution unit for full-electronic computer interlocking control technology has applied safe output, safe cut-off, turnout safety control, safe design of self- inspection on modulo conversion, the structure of double two out of two, network redundancy structure and other technology. Full electronic interlock system and electronic modules have passed third-party safety assessment with the level of safety completeness reaching level SIL4, meeting the requirements on the high safety and reliability of the rail transit signal interlock system and being characterised by small size, easy construction, high reliability, high maintainability and high safety.
20	CTCS2+ATO automatic turn-back technology	Independently researched and developed	CTCS2+ATO automatic turn-back technology can be widely applied in urban railways to improve the services in the “as-frequent-as-buses” operation of urban railways. The technology addressed technology issues such as safety communication between head and tail of trains, rapid automatic starting, on -site automatic end change and automatic turn-back after reaching the destination. It achieved automatic turn-back in 3 minutes after reaching the destination and on-site automatic end change in 20 seconds, which can effectively cut down the interval time for turn-back, further shorten the tracking interval of trains, reduce the average waiting time of passengers, meet the public travelling demand for “high speed, high density and as-frequent-as-buses services” and relieve urban traffic jam.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
21	Video intelligent analysis technology	Independently researched and developed	Video intelligent analysis technology adopted intelligent analysis algorithm, allowing the video system to automatically adapt to all-weather lighting conditions with different density, improving the capacity of resisting disturbance under complicated video background and effectively enhancing the comprehensive analysis performance. It adopted the deep learning technology in artificial intelligence sector and developed a professional algorithm exercise platform through long-term accumulation and improvement of intelligent algorithm sample database for railways, which can flexibly and rapidly meet customised demands under complicated scenarios and achieve automatic empowerment of relevant businesses through accurate judgment, dynamic analysis and ancillary decision-making.
22	400MHz wireless dispatching and communication technology of railway digital trains	Independently researched and developed	Leveraging on digital and wireless advantages, the 400 MHz wireless dispatching and communication technology of railway digital trains addresses technical issues such as the bridging of wire S IP communication and wireless PDR communication and business guarantee under failure and weakened conditions. It adopted a professional and integrated hardware platform and fully combined the demand in the wireless dispatching business, achieving data transmission in joint control of trains and railways and reliable communication in voice cluster for wireless dispatching, providing a safe, reliable, effective and convenient means of communication for rail transit, improved the driving safety, transportation efficiency and management and enhanced the quality of wireless communication services.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
23	Full automatic flexible train formation technology	Independently researched and developed	Fully automatic and flexible train formation technology can adjust the train formation according to the characteristics of passenger flow in different zones and time periods, and achieve the best synergy between passenger demand and vehicle capacity in accordance with the traffic plan, which has the advantages of improving the level of operation service, reducing the energy consumption of traction power supply, reducing the cost of vehicle maintenance, and improving the ability to cope with the uncertainty of passenger flow, etc., and can effectively solve the problem of unbalanced passenger flow in different operation phases, operation time periods and different regions. It can effectively solve the problem of unbalanced passenger flow in different operation phases, different operation periods and different regions, and help to achieve the "cost-effective" train operation.
24	Heavy-haul train group operation control system technology	Independently researched and developed	Heavy-haul train group operation control system achieves information transmission based on train-ground wireless communication and train-train communication, with advanced functions such as efficient matching of train and hump rolling routes, optimal control strategy of automatic driving, and cooperative driving of multiple vehicles. The system can effectively improve transportation efficiency, decrease labor intensity of drivers, reduce transportation energy consumption, and greatly improve comprehensive efficiency of freight railway transportation.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
25	Train control system technology for higher speeds (CR450)	Independently researched and developed	Higher-speed train control system technology breaks through the bottleneck of the reliability of safety control and equipment supporting 450 km/h high-speed operation, overcomes the difficulty of excessive speed difference between main and backup systems, improves the automatic driving ability of high speed railway ATO system, enriches and expands the basic theory and engineering practice experience of high-speed railway train control technology in China, which will further enhance the full independence of China's railway science and technology, consolidate China's leading position in the global high-speed railway industry and strongly promote the upgrading and transformation of China's railway network in scale.
26	High-speed maglev/low vacuum pipeline(tunnel) train control system technology	Independently researched and developed	High-speed maglev train control system technology supports train operation and control of ultra-high speed maglev trains with a speed of 600 km/hour or higher, which can be divided into on-board operation control, sectionalised operation control, central operation control and positioning and speed measurement subsystem. Different from the traditional high speed rail operation control system, the system architecture has overcome various technical difficulties, such as positioning and speed measurement, vehicle-ground communication, levitation guidance and electromagnetic compatibility, and is of great significance to the research of ultra-high speed transportation technology in China.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
27	Digital integrated management and control technology of freight yard	Independently researched and developed	Digital integrated management and control technology of freight yard can manage the whole process of goods from mobilization to unloading, transshipment, inspection, loading and exit in the freight yard, build a digital integrated management and control system of freight yard for centralised scheduling of container handling/transshipment equipment such as IGV automatic guided vehicles in the freight yard, improve the automation and intelligent level of key equipment such as front loading and unloading equipment, horizontal transport vehicles, security monitoring in the freight yard, and enhance the efficiency of goods transshipment in the yard.
28	Safety railway intelligent signal display technology	Independently researched and developed	Based on the safety railway intelligent signal display technology, a series of equipment, including intelligent LED annunciator of SIL4 safety level, lighting detection unit and lighting alarm devices, are developed. The intelligent LED annunciator can replace the existing incandescent annunciator and is characterised by high energy-efficiency, high safety, long service life and adjustability, which is an upgraded product of existing railway signal display equipment.
29	System RAM modelling and evaluation technology	Independently researched and developed	System RAM modelling and evaluation technology is to model the system and its components from the perspective of the cognition of system law, estimate and evaluate the reliability, maintainability and usability of the system based on the accumulated product data, structural characteristics and composition of the system, as well as the working environment of the system and other factors, and also identify the main factors affecting the reliability, maintainability and usability of the system, locate key points, and provide a basis for design and iterative optimization; it can help shorten the equipment validation cycle of train control systems and guarantee the performance quality of the product.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
30	Integrated technology on “factory-based” construction in railway signaling & communication projects	Independently researched and developed	Based on BIM modeling, with the target of factory preassembly and fabricated on-site construction and through modularization, unification, plugging and splicing, clustering and fabrication, the integrated technology on “factory-based” construction in railway signaling & communication projects brings forward operation with high on-site labor intensity and high-quality requirements at traditional construction sites to the curing process at the factory preassembly stage, which significantly reduces the workload of on-site operation, on-site labor, technical difficulties in on-site construction as well as risks and hidden hazards and improves the quality of projects.
31	Video analysis technology in high-speed railway tunnels	Independently researched and developed	Video analysis technology in high-speed railway tunnels adapts to special conditions such as low illumination level, high temperature and humidity, strong vibration and high wind pressure in tunnels, forming video analysis algorithms such as intelligent disaster prevention and detection, target detection in dark light, front/background separation for the line patrol of the track maintenance division, which provides basic support for the application of integrated video monitoring system in high-speed railway tunnels and guarantees the safety of railway transportation.
32	Vision networking fusion algorithm warehouse technology	Independently researched and developed	With the vision networking fusion algorithm warehouse technology, a warehouse is formed to manage algorithm models, centralise the management of all AI algorithm models and provide AI analysis service capabilities, to realise the rapid integration of multi-manufacturers and multi-versions of algorithms, improve the management capabilities of the lifecycle of the algorithm, enhance the intelligent analysis capabilities of vision networking fusion video and other related products, and boost the performance improvement of the product.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
33	Multimode signal system integration technology	Independently researched and developed	The multimode signal system integration technology has made breakthrough in integration technologies such as urban transit electronic map data, onboard GPS, movement authority limit, onboard human-machine interaction, ATS driving monitoring, rail side equipment control and display and digital track circuits, innovated the set of technology system of "multi-mode integration of signal system", and achieved a set of onboard technology, two systems and seamless integration, providing users with a new model for extending and renovating signal systems of quasi-mobile blocked lines to meet requirements for the interconnection and network- based operation between different signal system lines.
34	Highly safe, resilient and reliable control technology in fully automatic operation	Independently researched and developed	By applying the calculation correctness real – time detection theories and formal methods of key equipment to train safety, it adopts error checking, error correction, fault tolerance and fault-oriented safety technologies with a combination of system equipment failure modes and operational safety requirements, makes breakthrough in key technologies such as highly intelligent fully automatic operation control, regional joint defense, adaptive tolerance to operational anomalies and remote failure recovery, and develops distinctive fully automatic functions, including train sleep- wake static-dynamic commissioning, remote garage door closing operations, fully automatic obstacle avoidance and evacuation protection, automatic recovery after train derailment, remote restart and remote updating of onboard/rail side equipment data, achieving safe operation, adaptive failure tolerance, efficient failure recovery and intelligent operation and maintenance for fully automatic operations.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
35	Control technology of smart rail full-axle steering	Independently researched and developed	Based on the theory and technology of full-axle control, the trajectory tracking control technology integrated with high-precision navigation positioning aims directly minimum trajectory tracking errors. Through model prediction control and feedback control, it researches and develops full-axle steering control system with high performance, reliability and safety, turning trajectory tracking and safety control for electronically guided rubber-tyred smart rail train into reality.
36	Online automatic deployment technology of control platforms	Independently researched and developed	Full electronic interlock system adopts intelligent maintenance and distributed design, featuring the distribution of configuration/data/software, researches and develops automated deployment technology and launches tools allowing automated deployment. Leveraging connections to the internet, the tool ensures the absence of command output or disruption to another system's normal operation during in-system programming, thus improving the efficiency and accuracy of on-site software upgrading.
37	Centralised and efficient management technology for train operation behaviour	Independently researched and developed	By leveraging the causal relationships between behavior s and data, an identification model is developed for operation behavior scenarios that are linked to changes in equipment status, route status, and alarm log information. This model particularly targets high-risk operation behaviors outlined in actual management practices. Utilising this model, the operation behaviors represented by the corresponding data are accurately identified, and pertinent information regarding these behavior scenarios is captured. This approach facilitates centralised management of train operation behaviors, enhances management efficiency and quality, promotes the standardization of train operation behaviors while minimising management costs, and fortifies the standardization and safety of train operations.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
38	Rail breakage inspection technology in ranges	Independently researched and developed	The coupling resonance acquisition analysis of inductance, impedance, and capacitance characteristics of rails and ballast is carried out through single-node devices. Multi-physical, multi-dimensional state feature extraction is used to integrate massive storage data. Based on the analysis of multi-dimensional feature data, multi-scale physical phenomena in different stages such as health and rail fracture are studied, as well as the change characteristics under strong interference and high pulse. A rail health status model is established to evaluate the current rail health status, and a rail health status big data platform is established. Combined with historical data, the rail status evolution trend curve is formed to achieve the function of rail breakage inspection.
39	Electromagnetic environmental effects of rail transportation and electromagnetic safety technology	Independently researched and developed	Electromagnetic environment effect and electromagnetic safety technology of rail transportation is the key to guarantee the safety and reliability of on-rail running equipment, and it has overcome difficulties such as high-power (high voltage, high current output at the same time), multi-physical quantity controllable off-line electromagnetic discharge technology of pantograph network, simulation technology of electromagnetic environment effect of vehicle-ground-network coordination, and forward design technology of electromagnetic compatibility, to support the research and development and optimization of the rail transit signal infrastructure and to guarantee the high- efficiency, safe and stable operation of on-rail products.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
40	Disaster monitoring technology for rail transit with multi-modal perception across the whole region	Independently researched and developed	The disaster monitoring technology for rail transit with multi-modal perception across the whole region utilises various multi-dimensional and multi-modal means such as video analysis and radar monitoring. It innovatively utilises deep learning-based projection and codec algorithms to achieve deep alignment and fusion analysis of effective information contained in video images, video encodings, and radar echoes. Based on customised and optimised algorithms such as foreground extraction, object detection/filtering, specific area segmentation, and difference detection, and supported by advanced technologies such as hardware acceleration, small sample detection, and multi-dimensional three-dimensional visualization, this technology solves the problem of complex environmental interference along the rail transit line, achieving product performance improvement and cost optimization in multiple business directions from large-scale railroads, subways, to smart cities.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
41	Key technology for the overhaul and renovation of high-speed railway signal systems	Independently researched and developed	Based on the characteristics of China's high-speed railway signal system, this technology uses both quantitative and qualitative analysis methods to conduct a comprehensive analysis of the design, system integration, construction installation, and engineering acceptance of overhaul and renovation projects. It has developed a Prognostics and Health Management (PHM) assessment standard system for key equipment of high-speed railway signal systems. The technology also masters performance enhancement techniques for high-speed railway signal systems, builds a comprehensive digital platform for high-speed railway signal equipment, and supports the digital transformation and upgrading of maintenance for high-speed railway signal systems. This has led to the development of indoor integrated digital technology for high-speed railway signal systems and "seamless major overhaul" system integration technology, reducing the impact of major repairs and renovations on operations. It also provides early planning and layout for the renovation and upgrading of high-speed railway signal system equipment, promoting the high-quality and sustainable development of high-speed railways.
42	Comprehensive intelligent technology for marshalling yards	Independently researched and developed	The comprehensive intelligent technology for marshalling yards is based on well-proven integrated automation technology and applies new technologies such as artificial intelligence. It integrates the intelligent demands of marshalling yards, enhancing various processes ranging from plan preparation and route arrangement to outdoor execution. The system achieves intelligent phase plan preparation, automatic station capacity determination, full-area signal control within the station, hump bowl closed-loop control, and automatic driving of switcher locomotives, among other intelligent functions. This improves the overall operational efficiency of marshalling yards and provides the core foundation for the gradual realisation of intelligent marshalling yards.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
43	Urban rail transit signal control and transportation organisation technology under complex and harsh environments	Independently researched and developed	The urban rail transit signal control and transportation organisation technology under complex and harsh environments deeply analyses risk factors such as rain, snow, fog, and frost. It dynamically evaluates key train operation parameters, including adhesion conditions and available braking rates, under special environmental conditions. By integrating perception, artificial intelligence, automatic protection, and autonomous driving technologies, the system enhances the urban rail transit signal system's ability to sense and adapt to complex and harsh environments. It enables rapid adjustments to safety control and autonomous driving strategies, expands the safety protection boundaries of the signal system, and helps create the "safest subway."
44	5G key technology for rail transit	Independently researched and developed	The 5G key technology for rail transit has established efficient, real-time, and secure data transmission channels, enabling the transmission and exchange of a large amount of audio and video data within the railway system. This technology supports reliable and secure audio and video dispatching in station areas, facilitates the connection of a large number of terminal devices in station areas and along the railway line, effectively reduces railway operating costs, improves operational efficiency, and significantly promotes the intelligent upgrading and sustainable development of railways.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
45	General-purpose visual large model intelligent analysis technology for railways	Independently researched and developed	Based on artificial intelligence-powered visual large model intelligent analysis technology, a general-purpose visual large model for the railway sector has been developed. This model enables functions such as object detection in open categories within the railway sector, target attribute and location identification based on intelligent semantic prompt information, and more. Centred around the visual large model architecture for the railway sector, it extracts effective information obtained through multimodal methods, optimises functions such as image-text multimodal feature alignment and adaptive feature matching metrics, and develops dedicated large model algorithms, systems, and intelligent analysis devices for abnormal railway intrusion monitoring and alerting. This allows for the search and identification, as well as intelligent monitoring, of station personnel, lost items, railway equipment status, natural disasters, and other related aspects.
46	Visualisation monitoring technology based on 3D modelling and digital twins	Independently researched and developed	The visualisation monitoring technology based on 3D modelling and digital twins uses Web3D modelling technologies such as HTML5 and WebGL to create more detailed and accurate models, including equipment location, orientation, equipment panel details, and more. Coupled with real-time data obtained through digital twin technology, this enables true "scene restoration" and achieves comprehensive environmental awareness based on 3D visualisation technology.
47	Trajectory synchronisation technology for inspection robots based on spatial coordinate mapping	Independently researched and developed	The trajectory synchronisation technology for inspection robots based on spatial coordinate mapping, built on 3D modelling and intelligent inspection, calibrates the inspection positions of intelligent inspection robots using spatial coordinate mapping technology. This enables real-time synchronisation of the robot's trajectory in the 3D model view with the trajectory in the real-world scene.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
48	Key technology for train-network-ground monitoring and diagnostics in high-speed railway train control systems	Independently researched and developed	The technology supports automatically collecting various monitoring data and log files from the train-network-ground monitoring system and equipment. By aligning information such as track, frequency points, time slots, mileage markers, and train numbers, multi-source data correlation is achieved. This enables multi-angle analysis of both complete and partial datasets, supporting comprehensive fault diagnosis, safety verification, and integrated remote maintenance. Ultimately, it enhances analytical accuracy and further optimises the monitoring scope and depth of the train-network-ground control system.
49	Integration of Rail Transit Dispatch and Control and Connecting Transportation Service Technology	Independently researched and developed	To target the rail transit “control-dispatch-service” business, aim at “autonomous operation control, intelligent comprehensive dispatch, connecting transportation services, integrated dispatch and control, and precise supply and demand matching”, and make a breakthrough in technical and system limitations on high-speed and high- automation rail transit theoretical and technical research, system equipment development and demonstration engineering application, to realise the integrated operation from “passenger flow to wheels”.
50	Two-level train control system technology based on trackside digital intelligence	Independently researched and developed	By adopting a next-generation train control system architecture, the technology promotes functional innovation and efficient collaboration of the train control system, significantly improving operation and maintenance quality and efficiency, and breaking through in the traditional development model of train control systems.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
51	Train frozen coal interface heating technology	Independently researched and developed	Based on electromagnetic induction heating technology, high-efficiency and precise heating of frozen coal wagons is achieved through high-power induction power supplies and customised coils. This reduces frozen coal residue on the wagons and improves coal unloading and cleaning efficiency. Intelligent temperature detection technology is used to monitor key areas of the wagons in real time, and advanced PID control algorithms dynamically adjust the heating power output based on the temperature readings, achieving green energy-saving effects.
52	Early warning analysis and diagnostic technology based on multi-drive engine integration	Independently researched and developed	Powered by a variety of technologies, including waveform analysis, inference analysis, fault tree analysis, big data analysis, and machine self-learning, this technology enables real-time warning analysis and diagnostics through a hybrid-driven engine. By leveraging this analytical approach, it enables automatic early warnings for potential equipment risks, precise fault localisation, and in-depth data pattern analysis.
53	Equipment full-lifecycle management technology	Independently researched and developed	Based on the full lifecycle quality monitoring and evaluation technology of equipment, it intelligently predicts and recommends equipment maintenance cycles and service life. By assessing the real quality of equipment and incorporating maintenance plans, it dynamically and intelligently proposes maintenance and repair schedules, assisting in proactive maintenance decision-making. This ensures high equipment reliability while improving the quality and efficiency of maintenance work.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Core technology	Source of technology	Technical level and degree of application
54	Interlocking parameter visualisation tracking technology	Independently researched and developed	By adopting a unique interlocking software design method, the system can provide real-time online reading of interlocking logic variables and intermediate variables. Users can view interlocking logic formulas and the values of variables through maintenance and diagnostic equipment provided by the trackside equipment control system. This ensures that the interlocking software is open, real-time, and transparent, making it easier for project implementation and maintenance, and solving the problem of real-time tracking of the status of all system variables.
55	Algorithm management technology based on container orchestration	Independently researched and developed	Relying on microservices architecture and container cluster management technology, the system achieves pooled management and scheduling of computing resources, as well as lightweight integration and management of massive algorithms. Based on scheduling strategies, algorithm instances are dispatched to corresponding nodes for execution, enabling dynamic allocation and effective utilisation of cluster computing resources.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

The Company actively deployed innovation chain surrounding industrial chain, and was dedicated to transformation and industrialization of core technology achievements. It applied its core technology to rail transportation core systems such as train control system of railway, train control system of ICRs, train control system of urban transit, freight automation system, operation command automation and detection system and communication information system. New key technology for the overhaul and renovation of high-speed railway signal systems has been added, including the construction of a comprehensive digital platform for high-speed railway signal equipment, reducing the impact of major repairs and renovations on operations, and supporting the digital transformation and upgrading of maintenance for high-speed railway signal systems. New comprehensive intelligent technology for marshalling yards has been added, applying new technologies such as artificial intelligence to meet the intelligent transformation needs of marshalling yards. This enables intelligent features such as intelligent phase plan preparation and automatic station capacity determination, providing a core foundation for the gradual realisation of intelligent marshalling yards. New signal control and transportation organisation technology for urban rail transit under complex and harsh environments has been added. Based on operational scenarios, this technology systematically analyses various complex and harsh conditions such as rain and snow, identifies risk factors, and designs adaptive solutions for multi-level braking rate protection and train operation organisation under extreme environments. Through intelligent evaluation of critical operational parameters, such as track adhesion and available braking rates under special conditions, it dynamically adjusts safety control and autonomous driving strategies, expanding the protective boundaries of the signal system. New key 5G technology for rail transit has been added, establishing efficient, real-time, and secure data transmission channels, enabling the transmission and exchange of large amounts of audio and video data within the railway system. It supports reliable and secure audio and video scheduling in station areas, as well as the connection of a vast number of terminal devices in station areas and along the railway line, effectively reducing railway operating costs, improving operational efficiency, and significantly promoting the intelligent upgrading and sustainable development of railways. New general-purpose visual large model intelligent analysis technology for railways has been added, enabling open-category object detection, target attribute and location identification based on intelligent semantic prompt information in the railway sector, and providing intelligent monitoring and detection of station personnel, lost items, equipment status, natural disasters, etc. New visualisation monitoring technology based on 3D modelling and digital twins has been added, enabling the creation of more detailed and accurate models, achieving true "scene restoration," and realising comprehensive environmental awareness based on 3D visualisation technology. New inspection robot trajectory synchronisation technology based on spatial coordinate mapping has been added, using spatial coordinate mapping technology to calibrate the inspection positions of intelligent inspection robots, enabling real-time synchronisation of the robot's trajectory in the 3D model view with the trajectory in the real-world scene. New key technology for train-network-ground monitoring and diagnostics in high-speed railway train control systems has been added. This enables further

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

optimisation of the “train-network-ground” monitoring range and depth, integrates fault analysis, safety verification, and remote operation and maintenance functions, and improves fault location accuracy. New integrated scheduling control and intermodal transport service technology for rail transit has been added. Focusing on rail transit “control-scheduling-service” operations, the goal is to achieve autonomous operation control, intelligent integrated scheduling, intermodal transport services, integrated scheduling and control, and precise supply-demand matching, enabling integrated operations from “passenger flow to wheels.” New two-level train control system technology based on trackside digital intelligence has been added. Using a two-level system architecture, this technology promotes functional innovation and efficient collaboration in train control systems, significantly improving operation and maintenance quality and efficiency. New frozen coal interface heating technology has been added. Based on electromagnetic induction heating technology, high-efficiency and precise heating of wagons with frozen coal is achieved using high-power induction power supplies and customised coils. The system is also equipped with an intelligent temperature detection system that monitors key parts of the wagon in real time. Using advanced PID control algorithms, it dynamically adjusts the heating power output based on temperature readings, preventing localised overheating from damaging the wagon. The early warning analysis and diagnostic technology based on multi-drive engine integration integrates a variety of real-time warning and diagnostic technologies, including waveform analysis, inference analysis, fault tree analysis, big data analytics, and machine self-learning, to enable automatic early warning of equipment risks, precise fault localisation, and data pattern mining for in-depth analysis. Additionally, the full lifecycle equipment management technology intelligently predicts and recommends maintenance cycles and equipment lifespan, adapting to dynamic changes and providing maintenance and repair plans. It helps optimise resources and improve efficiency in maintenance and support work. The interlocking parameter visualisation tracking technology adopts a unique interlocking software design method, ensuring that interlocking software is open, real-time, and transparent, making it easier for project implementation and maintenance. This enables real-time tracking of the status of all system variables. The algorithm management technology based on container orchestration builds a city-level intelligent perception AI hub. It enables dynamic allocation and effective utilisation of cluster computing resources, providing rapid support for personalised algorithm needs of application units.

The development of core businesses such as design and integration, equipment manufacturing, system implementation of rail transportation operation and control system of the Company will fully depend on its core technology. During the Reporting Period, no material changes in the core technology occurred.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Details of awards for the National Technology Award

☒ Applicable ☐ Not applicable

Name of awards	Year of awards	Name of project	Level of awards
National Award for Science and Technology Progress	2002	Integrated technology and equipment for projects related to raising the speed of China's railways	First Prize
National Award for Science and Technology Progress	2006	Model ZPW-2000A jointless frequency shift automatic blocking system	Second Prize
National Award for Science and Technology Progress	2007	Comprehensive Technology and Application of Heavy Haul Transportation for the Datong-Qinhuangdao Railway Line	First Prize
National Award for Science and Technology Progress	2008	Qinghai-Tibet Railway Engineering Project	Grand Prize
National Award for Science and Technology Progress	2009	Key technology and application of onboard safety control system under complex and high-speed conditions	Second Prize
National Award for Science and Technology Progress	2010	Research and application of key technology for the Suining-Chongqing ballastless track	First Prize
National Award for Science and Technology Progress	2012	Beijing-Tianjin Intercity Railway Project	First Prize
National Award for Science and Technology Progress	2015	Beijing-Shanghai High-Speed Railway Project	Grand Prize

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Awards of China Patent Award

No	Name of patents	Name of awards	Year of award	Awarding entity
1	A method for dynamically tracking train position in the urban rail transit signal system	Excellent Award under the 17th China Patent Award	2015	China National Intellectual Property Administration
2	A computer interlocking system with centralised control function	Excellent Award under the 18th China Patent Award	2016	China National Intellectual Property Administration
3	A data collection, transmission and processing equipment for the railway CTC system	Excellent Award under the 19th China Patent Award	2017	China National Intellectual Property Administration
4	An on-board device and rail transit train for the automatic operation of CTCS-3 level trains	Excellent Award under the 19th China Patent Award	2017	China National Intellectual Property Administration
5	A track circuit transmitter and the method for realising fault – oriented safety	Silver Award under the 20th China Patent Award	2018	China National Intellectual Property Administration
6	Train operation control method and device, on-board equipment and train control system	Silver Award under the 21st China Patent Award	2019	China National Intellectual Property Administration
7	Methods and devices for realising shunting route control by combining STP and CTC	Excellent Award under the 22nd China Patent Award	2021	China National Intellectual Property Administration
8	A track circuit	Excellent Award under the 23rd China Patent Award	2021	China National Intellectual Property Administration
9	A method for realising wheel diameter calibration by satellite positioning	Excellent Award under the 23rd China Patent Award	2022	China National Intellectual Property Administration
10	A method and device for online fault detection of track circuit cables	Silver Award under the 24th China Patent Award	2023	China National Intellectual Property Administration
11	A method for implementing flexible train formation operation in urban rail transit	Silver Award under the 24th China Patent Award	2023	China National Intellectual Property Administration
12	Train coupling control method within the area controller based on single train automatic protection	Excellent Award under the 25nd China Patent Award	2024	China National Intellectual Property Administration

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Recognition of the national specialised and sophisticated “little giant” enterprise and the Model Enterprise of the Manufacturing Industry

☒ Applicable ☐ Not applicable

Title awarded	Year of recognition	Name of products/name of companies
Single Champion Enterprise in the Manufacturing Industry	2020	Complete sets of equipment for rail transit control system
Single Champion Enterprise in the Manufacturing Industry	2020	Development and integration of complete sets of equipment for rail transportation control system
Single Champion Enterprise in the Manufacturing Industry	2021	Rail transit signal infrastructure
Single Champion Enterprise in the Manufacturing Industry	2021	Train operation control system
Single Champion Enterprise in the Manufacturing Industry	2023	Xi'an Railway Signal Co., Ltd. (Railway Electric Junction Switch Equipment)
Single Champion Product in Manufacturing Industry	2022	Railway signal relay
National specialised and sophisticated “little giant” enterprise	2022	Casco Signal (Beijing) Ltd.
National specialised and sophisticated “little giant” enterprise	2022	Tianjin Railway Signal Co., Ltd.
National specialised and sophisticated “little giant” enterprise	2022	CRSC Wanquan Signal Equipment Co., LTD.
National specialised and sophisticated “little giant” enterprise	2023	CRSC Communication & Information Group Shanghai Company Ltd.
National specialised and sophisticated “little giant” enterprise	2024	Beijing Railway Signal Co., Ltd.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

2. *Research and development achievements during the Reporting Period*

During the Reporting Period, in terms of foundational and forward-looking research, the Company completed the construction of a railway electromagnetic environment effect research and testing platform, laying an important foundation for conducting pantograph-overhead line offline effect tests and protection technology validation. The Company overcame the technical challenges of high-power (high voltage, high current) simultaneous output and controllable multi-physical quantity pantograph-overhead line offline discharge technology, and built the first domestic 1:1 large-scale test platform. Research was conducted on the electromagnetic characteristics and testing methods of pantograph-overhead line offline interference under power frequency high-voltage large current conditions, as well as research on signal system anti-interference technology under the electromagnetic environment of high-speed rail operating at 400 km/h. For high-speed maglev/low-vacuum tube (tunnel) high-speed train operation control systems, dynamic levitation tests under low-vacuum conditions were conducted for the first time internationally. The “Electromagnetic Environment Effects and Electromagnetic Safety Railway Industry Engineering Research Centre” and the “High-Speed Railway Operational Environment Intelligent Monitoring Railway Industry Engineering Research Centre” were recognised by the National Railway Administration as railway industry technology innovation bases. The Company conducted research on SIL4-level safety cloud platform technology and completed the prototype development of the minimum system architecture for the safety cloud platform. Research was also carried out on massive IoT technology, breaking through in the technology for accessing and managing massive heterogeneous, multi-environment, and multi-protocol devices, achieving the connection and data access capability for devices at the scale of hundreds of thousands. The Company trained and formed a visual large model for the railway sector, enabling detection of open-category targets and identification of target attributes and locations based on semantic prompt information. A high-quality sample library for the large model was created, enabling functions such as abnormal behaviour monitoring of station personnel, cross-scenario personnel trajectory analysis, and large-scale lost item retrieval. This enhanced safety monitoring capabilities along the railway line and within stations. Through intelligent video analysis technology, potential safety hazards were identified in a timely manner, effectively reducing the incidence of safety accidents. Related products have been deployed and applied at Kunming Station.

In terms of supporting overseas engineering projects, the China-Indonesia practical cooperation “flagship project”, the Jakarta-Bandung High-Speed Railway, equipped with the independent CTCS-3 train control system, has successfully become operational. This project laid a solid foundation for the operation of China’s full high-speed rail system, all components, and the entire industrial chain overseas, serving as an excellent demonstration for China’s railway signal standards going global. The full opening of all stations along the Padma Bridge Railway, built through the cooperation between China and Bangladesh, further highlighted China’s communication and signal solutions. The completion and acceptance of the PCC control centre renovation project for Mexico City’s Lines 1-6, followed by its trial operation, contributed to the safe and efficient operation of the Mexico City subway, showcasing China’s strength in supporting the project. The completion of the Serbia laboratory supported the deployment of the ETCS train control system ground equipment based on Baseline 3 on the Serbian section of the Budapest–Belgrade railway. The Company also completed DeBo certification for Serbian signal machines and INDUSI responders, obtaining DeBo certification and applying the signal machines in Serbia. Additionally, DeBo certification for level crossing control equipment and LED safety-type

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

signal machines was completed for Hungary, along with expanded DeBo certification for responders and station computer interlocking equipment. The train-mounted ETCS-400T system for five European countries completed field tests for Germany's Baseline 2 and Baseline 3 lines, obtaining new safety certificates and reports. The completion of the Thailand laboratory, along with the development of computer interlocking and CTC systems for the Thailand project, contributed to the SIL4 evaluation of Thailand's interlocking equipment, supporting the completion of factory acceptance tests for 29 stations and providing strong support for the railway signal system renovation project in Thailand. The satellite-based mobile block train control system secured a commercial contract for the Morébaya-Simandou Railway in Guinea and its branch lines, marking another breakthrough for China's railway technology and equipment in the international market.

In supporting the country's major strategic initiatives, the Company contributed to the "CR450 Technological Innovation Project," proposing train control system solutions for two application scenarios: The construction of high-speed railways with speeds over 400 km/h and the speed-up renovation of existing high-speed rail lines. Key technological equipment was developed, and the installation of CR450 train equipment was completed. In the area of 30,000-ton heavy freight train group operation control technology, the Company completed theoretical and technological innovations in coordinated train control and efficient station arrival/departure operations. The Company also completed the construction of an off-site data collaboration laboratory and a field testing centre, and successfully carried out static system testing for the field test section, as well as the first stage of integrated system testing for the three stations and two sections of the Baotou-Shenmu Railway.

In the field of integrated multi-dimensional transportation systems, the rail transit scheduling control integration and intermodal transport service technology project completed key theoretical and technological research on the theoretical framework, forming a series of research reports on the system's theoretical framework. The development and testing of the system's prototype were completed, and an integrated train equipment safety confirmation letter was obtained. The Company developed an intelligent planning system and a regional network intelligent integrated dispatching system, and completed the prototype system of the virtual-real integration testing and verification platform that supports testing for the autonomous operation control system. The Company also completed research on the C2+ATO train control onboard system for suburban railways, and successfully launched operations on 27 December 2024, on the Shanghai Suburban Railway Airport Link Line. Additionally, the Company won the signal system procurement projects for the Shanghai Metro Suburban Jiamin Line, Demonstration Zone Line, and Nanhui Branch Line. The Company designed the fully automated rail transit line with a speed of up to 100 km/h, the Suzhou Metro Line 11, which was successfully launched and operated. This line seamlessly connects with Shanghai Metro Line 11, creating a typical demonstration for further advancing inter-regional integration of urban rail transit in China.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

In promoting the development of industry technology in the railway sector, the Company completed the design plan for typical (representative and conventional) high-speed railway signal system overhauls and renovation projects. It also developed the health assessment standard system for key signal system equipment and the health assessment plan, as well as the integrated implementation plan for typical high-speed railway signal system overhauls and renovations. Additionally, the Company completed the performance enhancement technology plan for high-speed railway train control systems and the construction and installation implementation plan and process methodology for typical high-speed railway signal system overhauls and renovations, laying the foundation for guiding future high-speed rail overhaul and renovation projects. The Company completed the overall technical plan for the four-electrical digital twin design, simulation, and operation and maintenance integration platform, established the equipment configuration rules for the four-electrical systems, and developed the core equipment BIM library. It also built the digital design basic platform, which was demonstrated at the Chengdu Group's Kailinan Station. The C3 train control intelligent analysis system was successfully developed, enabling the full-chain monitoring data and intelligent diagnostics of the "train-network-ground" C3 train control system, with a successful demonstration application. The Company completed the on-site operation of the new train control system based on BeiDou satellite positioning. It also developed onboard and ground equipment for conventional train control systems. The onboard LKJ equipment obtained SIL4 safety certification, and the ground data server equipment achieved SIL4-level safety certification. Field tests were completed on the Baotou-Shenmu Railway test section, covering three stations and two sections. The Company developed the digital integrated management and control system for freight yards and conducted the engineering validation of the China-Laos border Mohan freight yard, officially opening it to provide technical support for major projects such as rail-water intermodal transport and China Railway's intermodal systems. The Company developed the integrated management and control system for passenger transport hubs, constructing "three platforms" for centralised scheduling, comprehensive sharing, and new technology applications. It achieved five intelligent functions: Train operation organisation, shunter operation, passenger transport operations, maintenance operations, and emergency handling. The Company deployed research on key 5G-R technology for rail transit, developing a prototype device based on full-service 5G CIR functionality and creating a lightweight 5G base station. Demonstrations were carried out at Chengdu North Station. The development of the 400MHz train digital wireless dispatch communication system was completed, meeting the conditions for promotion in the national railway market. We have conducted research and development on key intelligent technologies and equipment for marshalling yards, successfully developing an initial prototype and launching field trials. Additionally, we designed the module architecture and core functionalities of the Video Network Fusion Analysis Platform, completing the development and packaging of general algorithms and deploying the system on-site. Our efforts in integrated video surveillance systems have led to containerized video solutions, successfully validated through performance testing. The new-standard railway integrated video surveillance system became the first to pass CRCC certification and has been deployed in key national railway projects, including core node upgrades for China Railway Group, as well as the Tianjin-Qinhuangdao video reinforcement project, Shantou-Shanwei video, Guangzhou-Shantou video, and Guiyang-Guangzhou railway transformation. These implementations have enabled the integration of video cloud platforms with 3D video, providing enhanced global monitoring capabilities and more dynamic scene visualization, continuously leading the industry in application innovation. Furthermore, we developed an intelligent railway communication equipment room management system, integrating smart perception, digital twin technology, and data visualization. This system has been successfully implemented at Meilong High-Speed Railway's Wuhua Station and Xinning South Station. We also pioneered the BIM-based industrialized construction technology for railway

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

communication and signaling projects. This approach was successfully applied at Ningguo South Station on the Xuanji Railway, where prefabricated components were assembled on-site. The system passed rigorous third-party inspections—including six tests for signalling and four for communication—along with functional testing led by the China Academy of Railway Sciences. This ensured the station's smooth approval through initial assessment, static acceptance, dynamic acceptance, and official commissioning. Additionally, we hosted an industry exchange session on high-speed railway communication and signalling prefabrication technology, organized by the Engineering Management Centre of China Railway Group, further driving innovation and technological advancement in the sector.

In promoting the construction of intelligent urban rail, the Company launched the “Xihe” digital urban rail solution, focusing on enhancing operational safety and resilience. Based on the independently developed open digital foundation for rail transit and scalable signal control professional models, the Company has built two major platforms: Intelligent operation control and intelligent maintenance. These platforms integrate a series of intelligent application products to support the industry's digital and intelligent transformation and upgrading. The high-reliability train-to-train communication and highly trusted train-to-ground collaboration-based high-efficiency Qiji train autonomous control system (TACS) has completed the version release for high-speed train testing in the vehicle depots and certain mainline areas of Shanghai Metro Lines 3 and 4, achieving connectivity between depot sections and mainline sections. This lays the foundation for achieving full-line connectivity for Shanghai Lines 3 & 4 and opens a new chapter for the industry's most complex metro signal system upgrade and renovation. The Company completed the TACS onboard and existing communications-based train control (CBTC) compatibility field verification tests, confirming the feasibility of interoperating trains on CBTC and TACS lines, expanding new possibilities for the application of multi-mode train control systems, and providing a new solution for large-scale urban rail transit signal system overhauls. This development is of milestone significance for promoting the industry's sustainable development. The Company has also developed the autonomous environmental perception TAPS system for driverless trains, which is currently being implemented on Ningbo Metro Line 7, leading technological innovation in the industry. It has pioneered research on key technologies for fully automated flexible train shunting, breaking through traditional operational organisation models in train control systems, and contributing to energy-saving and carbon reduction. The system was put into passenger service on Beijing Metro Line 12, leading innovation in green, low-carbon urban rail transit technologies. The “Multi-Mode Compatible Signal System for Network Integration” was successfully deployed on Changchun Metro Line 4. Through the evaluation by the China Association of Metros on technological achievements, this system extended the existing line, which uses a digital track circuit signal system, with CBTC systems for the extended line. The system's compatibility devices met the full-line operational requirements. The Company independently developed a new generation of networked intelligent train control system (NiTC), which obtained SIL4-class product certification. This system integrates the core functions of the TACS system while maintaining the traditional degradation backup mode. It has already won the bid for the Hefei Metro Line S1. The Company completed the research on signal control and transportation organisation schemes for urban rail transit under complex and harsh environments. It designed a multi-level braking rate parameter protection adjustment and train operation organisation scheme suitable for complex environments, applying AI-based algorithms to dynamically identify parameters in different complex environments. The SIL4-level snow and rain functional module was developed and certified, expanding the safety protection boundaries of the signal system. The Company is developing a two-level architecture train control system based on trackside digital intelligence, completing the logic centralised deployment system (LCS) migration and validating multiple redundant safety switching technologies. It has formed the initial

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

prototype for a cloud-based two-level architecture train control system. The Company successfully completed the first-flight scenario verification for the UAV AI inspection and emergency command system, achieving multi-drone collaborative high-efficiency inspections, intelligent monitoring of foreign object encroachment, and system integration for coordinated control. This has created new capabilities for building intelligent transportation solutions from the ground to low altitude. The urban rail transit video surveillance system the Company developed has been applied in Changchun Metro Line 6.

In terms of basic equipment and materials development, the full electronic interlocking equipment software and system integration passed CURC certification, obtaining the first Urban Rail Transit Equipment Certification in the industry. This marked the first breakthrough in full electronic interlocking for urban rail transit sector qualification and industry recognition. The Company completed the system testing and confirmation of the station digital track circuit and obtained SIL4 safety certification. It passed the industry technical review and opened Dalongcun Station. The Company also completed the trial use of locomotive onboard relays and received an operational report. The development and trial use of onboard relays were completed, passing third-party IEC standard-type testing and obtaining the mandatory guidance certificate. The Company successfully developed a high-frequency digital AC power supply module and completed the prototype testing for the lightweight power system, including standard temperature and high/low-temperature tests, and established small-batch trial production capabilities. The development of long-distance information transmission axle counting equipment was completed, and the relay-type station axle counting equipment obtained SIL4 safety certification. The Company also completed the development of axle counting and track circuit shared-cable transmission equipment, which obtained SIL4 safety certification. Additionally, the ZPW-2000 section track circuit outdoor monitoring system (split-type), junction switch intelligent diagnostic system, junction rail breakage monitoring system, electromagnetic heating junction snow-melting system, and associated DC four-wire dual-electric switch machine control circuits (ZD9 type) underwent trial tests and were promoted for application. The safety-type LED signal machine obtained certification in Serbia, completing the first evaluation. The trial use at the southern section of Baotou North Station was successfully completed, passing the trial assessment.

Regarding the Company's core technologies and main products, in this year, newly applied patents increased by 1,658, including 1,496 applied invention patents; newly authorised patents increased by 765, including 624 invention patents. The invention "Train Coupling Control Method within an Area Controller Based on Single Train Automatic Protection" also won the Silver Award at the 25th China Patent Awards. The "Key Technology Research and Application of Online Flexible Train Formation in Urban Rail Transit" project, which the Company participated in, won the Grand Prize at the Urban Rail Transit Science and Technology Progress Awards. The "Development and Application of a Multi-Mode Compatible Signal System for Network Integration" project, which the Company also participated in, won the First Prize at the Urban Rail Transit Science and Technology Progress Awards. The Company's main undertaking, "Research and Application of Autonomous Train Control System Compatible with European Standards" and "Research and Application of Multi-Modal Full-Field Perception Disaster Monitoring System for Complex Rail Transit Environments" won the First Prize at the China Communication and Transportation Association Science and Technology Awards. The main undertaking of the "Key Technologies for Self-Sensing, Mutual Control Safety Redundant Track Circuit for Multi-Physical Field Coupling" project won the First Prize at the China Railway Society Science and Technology Awards. The Company has undertaken 16 national-level projects supported by ministries and 20 projects supported by industry authorities, as well as more than 20 national and industry-level standard formulation tasks.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

One of the Company's experts received the International Electrotechnical Commission (IEC) 2023 "IEC 1906 Award," and a total of three international standards, led by the Company, were officially published, with 3 additional international standards making smooth progress. As the host organisation of the authoritative journal in the rail transit control industry, Railway Signalling & Communication Engineering, the Company regularly publish research and application results in authoritative industry journals, including Railway Signalling and Communication, hosted by China Railway, and Journal of the China Railway Society and Railway Signalling and Communication Engineering Technology, both hosted by the China Railway Society.

List of intellectual property rights obtained during the reporting period

	Increase for the year		Accumulative number	
	Number of applications	Number of approvals	Number of applications	Number of approvals
Invention patent	1,496	624	6,881	3,091
Including: Overseas patents	177	60	869	341
Utility model patent	153	136	2,944	2,006
Design patent	9	5	197	151
Software copyright	373	387	2,694	2,554
Others	0	0	4	4
Total	2,031	1,152	12,720	7,806

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

3. Research and development investment

Unit: Yuan

	This year	Last year	Change range (%)
Expensed research and development expenditure	1,912,373,179.29	1,862,286,761.81	2.69
Capitalised research and development expenditure	125,814,389.08	175,589,836.58	-28.35
Total research and development investment	2,038,187,568.37	2,037,876,598.39	0.02
Percentage of total research and development expenditure in revenue (%)	6.28	5.51	Increased by 0.77 percentage point
Percentage of capitalised research and development expenditure (%)	6.17	8.62	Decreased by 2.45 percentage points

Reasons for the material change in total research and development investment as compared to last year

☐ Applicable ☒ Not applicable

Reasons for the material change in percentage of capitalised research and development expenditure and its rationality

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

4. *Projects under development*

☒ Applicable ☐ Not applicable

Unit: '0,000 Yuan

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
1	Research and development of a new generation of centralised traffic control system	15,858.06	2,122.21	12,522.23	In response to the need for automatic adjustment of high-speed rail operating schedules and the integration of train dispatching and electric power dispatching, the Company further optimised the relevant functions of the intelligent CTC system. It completed the application of the intelligent CTC automatic adjustment function on high-speed railways under the Shanghai Bureau and on conventional railways under the Qinghai-Tibet Railway Company. The collaborative scheduling of multiple specialties and the integration of train dispatching and electric power dispatching were expanded to Wuhan Bureau, Qinghai-Tibet Railway Company, and Lanzhou Bureau. The scheduling command correction function based on artificial intelligence semantic analysis was applied in Shanghai Bureau, Harbin Bureau, and Hohhot Bureau. The intelligent hub system based on the CTC 3.0 system for major stations has preliminarily achieved intelligent functions in five business areas: train operation organisation, locomotive operation, construction and maintenance, passenger operations, and emergency handling. This system was put on trial at Baiyun Station.	To complete the research and development of a new generation of centralised traffic control system and apply it in engineering practice.	The new generation of centralised traffic control system adopts the principle of intelligent decentralised and self-discipline design to realise the unified control of train and shunting operation, and realise the safety management and card control of station-level operation.	It can be applied to railway.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
2	Research and application of high-density automatic operation control technology for ad-hoc network of heavy-haul trains	18,180.98	7,299.34	15,130.39	The development of the heavy-load railway group operation control system has been completed. The system testing, installation and commissioning of on-site equipment in the experimental section for the heavy-load railway group operation control system were successfully carried out, and the first phase of on-site trial verification was completed.	To assemble the equipment for the ad-hoc network and high-density automatic operation control system of heavy-haul train.	Based on China's highspeed rail control and autonomous driving technology, the project aims to improve the efficiency and safety of heavy-haul freight rail transportation. The technology has reached the domestic leading level.	It can be applied to the domestic heavy-haul railways.
3	Development of a new train control system	16,294.01	1,466.37	14,875.10	Completed the trial assessment of the new train control system on Hetian-Ruoqiang Railway, and the on-site equipment operated stably. The train autonomous circumambulation control system based on BDS was officially applied to the railway at the mining area of Pingmei Shenma Group.	To assemble a complete set of equipment for the new train control system	Based on the mature technical application of the existing train control system and combined with the BDS positioning technology, it builds a moving block technical scheme suitable for heavy-haul railway, shortening the train tracking interval and improving the overall transport capacity of heavy-haul railway.	It can be applied to the domestic heavy-haul railways.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
4	Development of train fully-autonomous operation and control system	30,169.63	9,670.69	24,095.41	The system has been put into commercial operation on Shenzhen Metro Line 20, becoming the first TACS system in the industry to operate commercially. The system has been basically stable since its operation for more than two years. The version release for high-speed train testing, meeting the requirements for connectivity between the vehicle depots and certain mainline areas of Shanghai Metro Lines 3 and 4, has been completed. This achievement enables connectivity between the depot sections and the mainline, and supports functions such as the metro loop line and backup modes. Additionally, the high-speed dynamic debugging and expert witness testing for 30 trains across the entire Shanghai Metro Lines 3/4 have been completed.	To assemble the train fully-autonomous operation and operation system.	It completed the development of the first Train Autonomous Circumambulate System (TACS system) based on vehicle-to-vehicle communication in China, which has reached the advanced level in the world.	It can be applied to urban rail transit.
5	Basic technology research	12,084.00	11,136.74	17,212.88	The development of the station digital track circuit has been completed, along with system testing confirmation and on-site testing. Dalongcun Station has been opened. The safety-type LED signal machine received certification in Serbia and its first evaluation was completed. The trial use at the southern section of Baotou North Station has been successfully completed, passing the trial assessment.	To complete the fundamental and deep-level scientific mechanism research on lightning protection and electromagnetic compatibility of signal products in complex environment to provide scientific basis for subsequent product research and development.	The research aims to improve the safety and reliability of rail side signal equipment of railway and develop digital track circuit and railway safety signal display equipment, which has reached the leading level in the industry.	It can be applied to the field of railway and urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
6	Research on key technology and equipment development of train control system for normal railways	7,420.54	467.34	6,172.97	The project has been completed. The research resulted in the overall technical plan and requirements for the CTCS-1 level train control system for locomotives. The prototype development has been completed, and an SIL4 certification has been obtained. Laboratory and on-site system tests have been conducted, and test reports have been produced.	To form a complete set of CTCS-1 system suitable for normal-speed railways.	The system can realise the detour of high-speed railway trains on normal speed train lines, and the interconnection between high-speed railway network and normal speed Railway network, which has among the leading level in the industry.	It can be applied to railway.
7	Integrated development and certification of onboard systems in five European nations	3,148.00	320.57	2,339.58	The software change for the German mainline test has been completed. The Asbo certificate has been updated. The development and testing of the dual 8-inch DMI prototype have been completed. The update of the security certificate for JRU SCU unit SW90-210_C has been completed.	To develop ETCS onboard system applicable to the operation requirements of five European nations, and complete safety certification, NoBo certification and DeBo certification, so as to support the promotion and application of our ETCS onboard products in European core markets.	It meets the B3R2 technical standard of the highest version of ETCS baseline 3, supports E2 and E1 operation levels, meets the local functional requirements of five European nations and the non-stop operation requirements of transnational interconnection, and boasts the world-class level.	It can be applied in the railways in five European nations (Germany, Austria, Switzerland, Hungary, Slovakia).

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
8	Development and application of intelligent subway operation and maintenance	9,030.77	1,567.70	8,517.83	Based on the operation and maintenance platform, the data platform device model for signal equipment and the signal equipment mechanism analysis application have been completed. The development of functions such as equipment health evaluation optimisation, production and maintenance supervision control, and emergency fault response linkage has been finished. These functions have been pilot-tested and applied in Shanghai Metro and Ningbo Metro, while system functionality enhancements were completed in collaboration with Chengdu Metro for maintenance system improvements.	To realise the condition maintenance based on intelligent operation and maintenance system, comprehensively improve equipment reliability, prolong equipment service life, greatly improve maintenance efficiency and greatly save labour cost.	The proposed digital operation and maintenance theory of the whole life cycle of train control system, adopts technologies such as train control multi-source digital perception, multi engine intelligent analysis and diagnosis, and health management based on cloud platform, which are at domestically and internationally leading level.	It can be applied to the field of railway and urban rail transit.
9	Development of rail side target controller	10,424.27	1,586.32	10,566.22	The system was released, and applied into Shenzhen Metro Line 20. The local control logic for the switches has been released and put on trial on Shanghai Metro Lines 3 and 4. The full-process release of the non-national standard switch machine has been completed and is now in operation on Shenzhen Metro Line 3. The development of the screen door control function for Xu Zhou Line 6 and Wuhan Line 12 PSD has been completed. The Company has worked to improve the efficiency of OC remote updates and enhanced the theoretical analysis and laboratory testing of the insulating shake.	To create rail side target controller, and adapt to each control system based on the application scenario.	As the direct control unit of rail side signal equipment, the target controller adopts the architecture of double two out of two, which has the characteristics of high safety, high reliability, high integration and intelligence, and greatly reduces the workload of installation, commissioning and maintenance. The electronic module can be flexibly applied to each signal system.	It can be applied to the field of railway and urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
10	Research on high-speed maglev/low vacuum pipeline (tunnel) high-speed train operation control system and production of equipment	5,525.00	3,074.52	5,451.96	For the first time internationally, dynamic levitation tests under low vacuum conditions were successfully conducted on the Datong Yanggao test line. The onboard operation control system passed the pressure resistance tests under conditions of 100 Pa and 15 Kpa. The test software was released, and the test report was generated. The developed equipment passed acceptance and was approved by aerospace experts.	To establish the train control system and equipment with proprietary intellectual property rights and supporting high-speed maglev with a speed of 600 km/hour and low- vacuum pipeline (tunnel) high-speed train with a speed of 1,000 km/hour.	It filled the blankness in the rail transportation system with a speed of 600-1,000 km/hour, which is the first in China at an internationally leading level.	It can be applied to high- speed maglev.
11	Development of interlock equipment in Thailand	1,412.30	324.80	981.73	Completed the development and test on interlock equipment and projects in Thailand and obtained the safety authentication certificate.	To complete the development of interlock equipment applicable to Thailand and obtain the SIL4 safety authentication certificate. It will be applied in railway projects in Thailand.	The interlock equipment in Thailand developed has outstanding operation performance with excellent electromagnetic compatibility and lightning protection performances. With a reasonable design on the structure of the application software, it is conducive to expansion and realising its functions.	It will be applied in railway projects in Thailand.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
12	Development of autonomous perception system of trains	4,338.00	1,297.24	3,510.73	<p>The full-process development of the TAPS system has been completed, and the ISA certification has been obtained.</p> <p>The optimisation and modification of the Ningbo Line 7 project plan were completed, with the system now capable of longer recognition distances and more comprehensive perception information. The interface specification and development between TAPS and the onboard CC system were completed, enabling TAPS to interact with the CC system for train control. New interfaces for millimetre-wave radar and Tele laser radar, along with data analysis functions, have been added to improve the system's detection performance in special scenarios such as weak textures. These enhancements were applied in the on-site dynamic debugging for Ningbo Metro Line 7.</p>	To create rail side target controller, and adapt to each control system based on the application scenario.	As the direct control unit of rail side signal equipment, the target controller adopts the architecture of double two out of two, which has the characteristics of high safety, high reliability, high integration and intelligence, and greatly reduces the workload of installation, commissioning and maintenance. The electronic module can be flexibly applied to each signal system.	It can be applied to the field of railway and urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
13	Research on application of integrated technology on railway videos	1,818.40	725.20	1,513.00	According to the railway video standard protocol, four extended interface protocols were added. The development of the integrated information security management appliance was completed, along with the completion and verification testing of the Video Cloud Application Management Platform V1.0. Additionally, the development and release of the Station 3D Real-Scene Video System V1.0 and the Array Computing Vision System V1.0 were completed.	To meet the three-level railway management systems on comprehensive videos of railways and achieve the intelligent connection of comprehensive videos through the front end and cloud platforms; to develop the cloud application management platform for videos of railways; to develop the three-dimensional real-scene video system for dispatch and command scenarios of railway stations.	It achieved containerised application, achieved easy deployment through the visualised cloud native and met the monitoring and operation maintenance demand for videos on all business with a leading level in the industry.	It can be applied in the field of rail transit.
14	Research on application of comprehensive monitoring technology on railway communications	1,323.00	360.96	1,145.01	The development of the Dynamic Environment V3.2 platform has been completed. The development of the tower monitoring platform has been completed. The prototype of the tower monitoring mainframe equipment has been developed. The prototype of the Internet Data Centre's energy consumption monitoring mainframe has been developed. The development of the security integration platform has been completed and applied in the Fuqing Nuclear Power Engineering Project.	To study the monitoring system and platform for railway communication towers based on the BDS system; to develop the new version of the monitoring systems on power and machine room environment for railway communications.	It achieved the monitoring systems on towers based on the BDS system and the dynamic monitoring systems on communications with a leading level in the industry.	It can be applied in the field of rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
15	Research and application of train control systems for Zhunchi Railway	6,350.00	3,878.18	4,952.25	To complete the research on integrated key technology for the BDS-based train control system for normal railways; to complete the R&D of on-board and ground equipment for train control systems of heavy-haul railways and civil defence systems and equipment for on-road operation; to complete on-site trials of Zhunchi Railway.	To complete the research on integrated key technology for the BDS-based train control system for normal railways; to complete the R&D of on-board and ground equipment for train control systems of heavy-haul railways and civil defines systems and equipment for on-road operation; to complete on-site trials of Zhunchi Railway.	It laid solid safety foundations for the construction of intelligent heavy-haul railways, developed a set of BDS-based train control systems for heavy-haul railways with easy implementation and renovation and low cost and reliance by fully leveraging on the basis of existing signal equipment and met the demands for application and interconnection in projects with a leading level in the industry.	It can be applied in the fields of normal-speed railways, heavy-haul railways and local railways for special uses.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
16	Train Control System Research of Western Railway	2,000.00	292.55	481.03	The technical plan for the Sichuan-Xizang Railway communication signal system has been completed.	To develop the overall technical program, system architecture and key technical program of communication and signal system with high reliability, low maintenance and comprehensive safety, support the equipment development of Western Railway, and ensure the construction, operation and maintenance.	In light of the problems and challenges of reliable communication, operation control, equipment maintenance, disaster perception and decision-making of the communication signal system caused by the extremely complex working conditions of the Western Railway, it develops the high reliability technology of trackside equipment under extreme application conditions, the construction of efficient and safe braking model with multiple complex factors and automatic driving technology, disaster holographic perception technology, multilevel redundancy and high toughness mobile communication technology emergency monitoring, dispatching and command with comprehensive linkage of multiple disciplines and other key technologies.	It can be applied in Western Railway, Western Railway.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
17	Research on train control systems of high-speed rail with higher speed	1,367.00	735.43	1,131.55	The research report on the overall plan of the train control system for higher speeds, software and PVI of ground and onboard equipment, and adaptability of switch conversion equipment has been formed. The development of the large-size responder prototype and the study on the impact of electromagnetic environments on the control system have been completed, along with system laboratory verification. The system laboratory verification has been completed, and the CR450 onboard system has been released.	To study solutions on train control systems under two application scenarios, namely the construction of new high-speed rail with a speed of over 400 km/h and the speed increase and transformation of existing high-speed rail with outstanding conditions, and to develop key technology and equipment.	It achieved breakthroughs in the difficulty on safety control and equipment reliability in the high-speed operation supported with the existing C3 system with a speed of 450 km/h and further diversified and expanded the basic theory of train control technology and engineering practice experience in high-speed rail in China with a leading level in the industry.	It can be applied in high-speed rail with a speed of over 400 km/h.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
18	Integration of Rail Transit Dispatch and Control and Connecting Transportation Service Technology	1,450.00	423.10	596.57	The key theoretical technology research for the theoretical framework has been completed, resulting in the research report on system theory framework, analysis report on system overall requirements, and system overall technology. The development and testing of the system's prototype have been completed, and the integrated onboard equipment safety confirmation letter has been obtained. An integrated onboard CTCS and CBTC cross-line demonstration environment has been set up. The development of the intelligent planning system and regional network intelligent integrated scheduling system has been carried out, and the prototype system for the virtual-real hybrid testing and verification platform supporting autonomous operation control system testing has been completed. The review of the draft for the group standard Engineering Design Specifications for Intercity Suburban (Metropolitan) Railway Intelligent Scheduling and Autonomous Train Operation Control Integrated System has been completed. The demonstration overall plan has been completed, and the initial drafts for the Guangzhou and Chongqing demonstration plans have been finalised.	To target the rail transit "control-dispatch-service" business, aim at "autonomous operation control, intelligent comprehensive dispatch, connecting transportation services, integrated dispatch and control, and precise supply and demand matching", and make a breakthrough in technical and system limitations on high-speed and high- automation rail transit theoretical and technical research, system equipment development and demonstration engineering application, to realise the integrated operation from "passenger flow to wheels".	It effectively improves the operation and equipment technologies of regional rail transportation, reaching the domestic leading level.	It can be applied in intercity railways, urban (suburban) railways, urban rail transit and other various rail transits.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
19	Research on digital control technology for freight yards	2,407.00	2,117.87	2,435.46	The solution research and equipment development have been completed. An on-site application demonstration was conducted at the Mohan freight yard of the China-Laos Railway, and an application certification has been obtained.	To set up digital control systems on freight yards with intelligent equipment, digital business, information-based operation and integrated control to assist in freight and production at railway stations, the improvement of operational efficiency, the standardisation of basic management and the enhancement of safety guarantee.	It improved the automatic and intelligent operation of loading and unloading equipment at the front of wharfs, horizontal transportation vehicles, loading and unloading machinery at yards and other key equipment and improved the efficiency of reloading operation of goods at the wharf.	It can be applied in the field of freight railways.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
20	New-generation network-based and intelligent train control system	13,200.00	3,315.88	8,917.97	Overall technical plan on the new-generation network-based and intelligent train control system was completed, R&D and indoor testing of sample machines with key technical principle of high-performance reaction were completed and the field test of the key technology for high- performance reaction was completed. The highest SIL4 safety certification has been obtained, integrating the core functions of the TACS system, including reverse capability, while retaining the traditional degradation backup mode.	To conduct independent innovation in the network-based train control systems for urban rail transit based on the new-generation communications and artificial intelligence technology with the focus on the strategy on the building of national strength in transportation. To innovate the flexible formation, the re-fined resources control, the intelligent transportation organisation based on traffic demand and the multi-dimensional data analysis theories, achieve breakthroughs in intensive systems and structures, high- performance reaction, intelligent train control, smart dispatching, intelligent operation and maintenance as well as other key technologies, promote the network-based, intelligent, green, digital and rapid development of urban rail transit and improve the dispatch, command and emergency response capability and the intelligent dispatch, operation and maintenance of urban rail transit.	While achieving high-efficient operation through the adoption of the simplified systems and structures, it retained the complete degrading model, innovated the preparation, adjustment and simulation of the network-level operation plan, the automatic linkage of emergency proposals on train dispatch, the resources refinement and coordinate control of on-board active routes, the control on energy-saving operation, the decisions on active repair alarming and other advanced rail transit technologies and develop an efficient and intensive urban rail transit signal system towards green and intelligent urban rail transit. Core technologies can achieve integrated application with existing systems with the technology reaching the advanced level in the world.	It can be applied to CBTC, FAO and other new and renovated lines in urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
21	As-frequent-as-buses and networking train dispatching system for urban railways	4,493.89	2,310.43	4,473.10	<p>The suburban railway airport link has obtained the project-level third-party safety certification.</p> <p>The suburban railway airport link began its initial operations on 27 December 2024.</p>	<p>To achieve the self-organised dispatching, interoperable and optimised dispatching, multilayered active and coordinated dispatching as well as emergency linkage and dispatching of networking trains for extra-large urban railways; to improve the emergency response efficiency and the emergency handling capacity in scheduling and command and guarantee the operation safety and efficiency of extra-large networking urban railways.</p>	<p>It can establish analysis models on the travelling network of passenger flows and their evolution mechanism as well as analysis models on disturbance correlation and passenger flow coupling and mutual-feedback mechanism under network-based operation. For different levels of operation disturbances of network, it can establish models on the adjustment of operation plans based on active control as well as automatic matching models and algorithm at the bottom of trains to rapidly solve and generate scheduling adjustment plans with high optimisation and availability. The technology will reach the domestic leading level.</p>	<p>It can be applied in the field of urban railways.</p>

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
22	Comprehensive automation system on the operation of urban rail transit for train traffic control	5,809.36	1,596.15	2,406.30	The enhancement of fully automated shunting functions, including multi-language and cross-platform support, network-level mobile train dispatching and collaborative handling, operation plan analysis and rehearsal, and shunting route priority determination, as well as the enhancement of intelligent station functions, has been completed. These enhancements were applied to the Mexico City Gua 4 comprehensive monitoring project, Shanghai multi-post collaboration, and the Chengdu 17/18 intelligent yard projects.	To build multidisciplinary, integrated and coordinated engines with train traffic as the core and achieve the effective integration and coordinated linkage of train traffic control, supervision on power supply, environment and equipment, safety protection, passenger service, wireless communications as well as multidisciplinary systems.	It can accurately track the location and operation conditions of trains in a real-time manner by leveraging on the train operation control system, decide the generation of the best trans-disciplinary linkage proposals and apply the integrated communication and linkage execution technologies based on distributed message bus and real-time database to conduct real-time driving and coordinated control on multidisciplinary systems and equipment in the full process and effectively improve the accuracy, timeliness and safety of trans-disciplinary linkage. The technology will reach the domestic leading level.	It can be applied to urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
23	Research of multidimensional energy compound range rail breakage inspection technology based on ultrasonic guided wave	1,025.50	865.61	1,120.72	The overall technical plan for the section track breakage monitoring system has been completed. This includes defining the guided wave frequency and mode suitable for long-distance transmission in rails with auxiliary structures, and conducting theoretical, simulation, and experimental analyses of its excitation-reception forms. The system architecture and monitoring algorithm logic have been determined. The system's prototype has been built, and the system's principles and monitoring capabilities were verified in various scenarios. Key technologies such as guided wave excitation enhancement and environmental interference suppression have been researched and validated, and the system's long-distance defect detection and positioning capabilities were verified through defect simulation. The development of the system's functional prototype has been completed, along with functionality and performance self-testing.	To study multidimensional energy compound testing technology based on ultrasonic guided wave and develop range steel rail breakage inspection systems and equipment with high reliability, engineering application, few maintenance and high technological and economic efficiency towards the demand for range rail breakage inspection in normal-speed railways and urban rail transit.	It can achieve new technological breakthroughs in the product-based application of long-range rail breakage inspection and will reach the advanced level in the world.	It can be applied to the field of railway and urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
24	Development of fundamental equipment and safety products for rail transit	5,608.94	374.64	4,842.28	Completed the design for the improvement of adaptability and the first batch production of switch equipment for the project in Tanzania, the design for the optimisation of waterproof and the manufacturing and commissioning of the prototype of JM-typed density detector, and the transformation and design of drawings for new external-locking Devices; completed the trial manufacturing of prototype and relevant test for JC-C AC and high- sensitivity locomotive on- board relays; completed the design, development and test of AC series power modules and miniaturisation monitoring units; completed the design, development and trial manufacturing of full electronic axle counting.	To complete the development of turnout switch equipment, relays, AC power supply modules, axle counting equipment and other new- generation fundamental equipment and safety products for rail transit.	It can improve the technical level of fundamental equipment and safety products for rail transit and develop new-generation fundamental equipment and safety products for rail transit meeting international and domestic technical requirements. It will reach the advanced level in the world.	It can be applied to the field of railway and urban rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
25	Research on the BIM-based integrated technology on "factory-based" construction in railway signalling & communication projects	1,500.00	644.03	1,347.40	The on-site factory-based equipment installation, commissioning, and functional testing at Ningguo South Station have been completed. The station successfully passed the first item evaluation, static acceptance, dynamic acceptance, and was opened, after undergoing third-party testing for six signal items and four communication items, as well as signal system functionality tests led by the China Academy of Railway Sciences and Holis. The Company hosted a technical exchange on factory-based pre-configuration technology for high-speed railway communication signals at the CNRG's Engineering Management Centre, leading the development of industry technology.	To solve the difficulties in unstable construction quality and high construction cost in the construction of railway communication signal machine rooms, the renovation projects, overseas projects and construction of projects under severe environment in particular, as a result of the right construction schedule, the difficulty in labour recruitment, the shortage of materials and the adverse construction environment.	Based on BIM modelling, with the target of factory preassembly and fabricated on-site construction and through modularisation, unification, plugging and splicing, clustering and fabrication, it brought forward operation with high on-site labour intensity and high quality requirements at traditional construction sites to the curing process at the factory preassembly stage, which significantly reduces the workload of on-site operation, on-site labour, technical difficulties in on-site construction as well as risks and hidden hazards and improves the quality of projects.	It can be applied to the professional construction of domestic and overseas railway signalling & communication projects.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
26	Research and application of range rail breakage inspection technology	274.50	195.17	265.17	The research and application of section track breakage detection technology have been carried out, including technical research and plan design analysis. A section track breakage detection technical plan has been formed, and the drawing design review and software framework agreement have been completed. The hardware production of the track breakage monitoring prototype and software debugging have been completed. The system was tested on the Handan-Huanghua Railway, and application sales contracts for both the Handan-Huanghua Railway and Ningdong Railway were obtained.	To study the range rail breakage inspection system and equipment, and monitor the health status of rail in a real-time manner, to improve the operation and maintenance capability.	A range rail breakage inspection system can be formed and the problem of long and large-sized range rail breakage inspection application technology can be solved.	It can be applied to the field of railway and urban rail transit.
27	Research on key parameters detecting and monitoring technology for industrial and electrical equipment of turnout	2,000.00	22.47	849.17	The key parameters of switch mechanical and electrical equipment have been mastered, and a health assessment method for the safe operation of switch conversion equipment has been developed. The method has passed the review organised by the industry regulatory authority.	To form a safe health evaluation method for the application of turnout switch equipment, and to achieve the objective of feasible malfunction and status warning realisation methods and authentic warning and maintenance reminders through test and verification.	The research achievement can realise timely and precise maintenance and repair and preventative maintenance and repair of the turnout switch equipment by the operation and maintenance units, which is of significance to the enhancement of efficiency of equipment operation and maintenance and the reduction of on-site maintenance work load.	It can be applied in the field of rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
28	Research on the technology of intelligent diagnosis and safety monitoring for train control system of highspeed railway	800.00	297.39	751.39	The development of the train control intelligent diagnostic system has been completed, along with system testing. The technical review by the Guangzhou Bureau has been completed, and the system has been put on trial and applied in the Meilong Line research product pilot. It has passed the track trial review and has been applied in the Xuanji and Chi-Huang line projects.	To complete the benchmark product for intelligent diagnosis and intelligent maintenance of train control system for C2/C3 lines, to provide all-round maintenance support for signalling system.	Products may include train control, computer interlocking, temporary speed limitation server, wireless blocking centre, and other core signalling products, to provide comprehensive intelligent maintenance support. The technology has reached advanced level in China.	It can be applied the fields of C2/C3 and overseas rail transit.
29	The project of research on holoaxial diversion control system for intelligent rail	744.28	982.38	1,236.95	The development of the system prototype based on independently developed hardware has been completed. System function testing for fixed-scene high-speed trains has also been completed. The Company has collaborated with the owner, Qingdao Sifang, to complete the real-vehicle fixed-scene operation tests on two sample trains in three locations: Jiaozuo, Qingdao, and Nusantara in Indonesia. Additionally, the review of the draft for the enterprise standard has been completed.	To realise the operation of passenger taking for the holoaxial conversion control system, and develop the holoaxial control products of the Company.	The trajectory tracking control technology integrating high-precision navigation and location, and high precision of tracking of diversion trajectory of trains. The technology has reached advanced level in China.	It can be applied to the diversion system of intelligent railway.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
30	Research and equipment development of the multi-mode interoperable train control system	2,700.00	855.38	855.38	Research on the industrialisation of ATP and ATO onboard equipment (including BTM, TCR, radios, etc.) has been carried out, involving cabinet design, multi-mode interoperable train control system solutions, and interface specifications for ground-compatible equipment. The overall technical plan and key technical solutions have been completed, with the integration of hardware and software of integrated onboard equipment finished. The special interoperability environment has also been developed. Additionally, the CTCS automatic return function debugging of the integration of onboard equipment has been completed, and the PC testing environment for GOA3/4 onboard equipment has been set up. The development of the automatic driving mode pre-selection as well as FAM and CAM mode switching functions for GOA3/4 onboard equipment have been completed. The development of the function module to shorten the long track protection section has been completed as well.	This project involves the development of integrated onboard ATP/ATO equipment, compatible train safety control centre equipment, as well as research on multi-mode interoperable train control system solutions and on-site testing and verification, to meet the various application needs of urban railways.	This project aims to research an urban train control system based on the CTCS technical framework. The system will be built on the foundation of moving block technology, with network communication as the backbone, and will focus on lightweight, intelligent, and green equipment. The goal is to develop an urban train control system solution that supports multi-mode interoperability between CBTC and CTCS systems, meeting the requirements of urban railways for commuter service, high speed, multi-mode operation, flexible train formation, high density, and bus-like service.	Urban (suburban) railway train control systems

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
31	The satellite-based train control system solution and key technology research	420.00	1,179.75	1,179.75	The satellite-based communication technology research report and the key communication technology research report for the satellite-based train control system have been completed, along with the formulation of the overall system technical solution.	The project aims to research the key technologies for a satellite-based train control system that is low-cost, easy to maintain, and quick to deploy and develop a prototype of the communication equipment.	Focusing on the global technological frontier, the Company aims to seize the direction of satellite-based positioning and communication, reduce the complexity of train control systems, minimize on-site maintenance, and lower construction costs. This approach will significantly improve transportation efficiency without relying on a large amount of ground infrastructure.	Low-density lines in central and western regions, and local railways

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
32	Research on a two-level train control system based on trackside digital intelligence	4,400.00	902.93	902.93	The system requirements report and the application plan, as well as the system architecture design have been completed. Laboratory prototypes for signal machines, AC/DC switch machines, general input/output units, and platform door control units have been developed. The laboratory prototypes for digital turnout machines and intelligent LEUs have been completed. The design of the digital signal machine and the decentralised track circuit system has been completed. Research and verification reports for trackside equipment power supply and long-distance reliable communication have been completed. The two-level interlocking system solution for local railways has been completed.	The project intends to develop a "trackside-centre" collaborative train control system and equipment based on trackside digitalisation and centralised logic deployment. The two-level architecture urban rail train control system has been applied on-site in the Dujiangyan-Siguniangshan mountain rail transit project. The two-level architecture interlocking system and trackside equipment have been applied on-site in local railways.	The development of a new generation of train control system architecture fully promotes the functional innovation and efficient collaboration of the train control system, significantly improving operation and maintenance quality and efficiency, and breaking through the traditional development model of train control systems.	It can be used in the new construction and renovation markets for national mainline railways and subways.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
33	Research on the digital twin-based integrated platform of design, simulation, operation, and maintenance for the four electric systems	5,280.00	0.00	0.00	The project initiation work has been carried out, and the first draft of the overall technical solution for the "1+N" platform of the digital design of the four electric systems (i.e. the traction power supply system, the substation system, the electric power supply system, and the communication and signal system) has been completed.	<p>The project aims to develop a lifecycle management platform for the four electric systems, with data as the key element. The platform will integrate and reshape the construction process of four electric systems.</p> <p>It will achieve the digital transformation of four electric system services internally. It will connect the internal digital processes of design, construction, and equipment, driving the transformation and upgrading of the Company's traditional industries and improving factor productivity through supply-side reforms.</p>	<p>A digital twin-based integrated platform of design, simulation, operation, and maintenance for the four electric systems will be developed, vertically connecting data across the entire lifecycle of design, equipment, construction, operation and maintenance. The platform has achieved over a 90% increase in design visualisation, over a 90% increase in 3D implementation, and over an 80% increase in automation. The construction period has been reduced by over 10%, and the overall lifecycle cost has decreased by more than 10%. Additionally, operation and maintenance efficiency has been improved by over 10%.</p>	It can be used for the four electric systems.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
34	Research on the Comprehensive Intelligent System CIPS2.0 for Marshalling Yards	2,316.00	261.81	261.81	The project initiation has been completed. Field research has been carried out, and the selection of partner organisations in fields such as artificial intelligence, drones, and robotics has been completed. The overall technical solution has been developed. R&D has been completed, and the on-site demonstration application has been launched.	The project is designated to create an intelligent marshalling yard to achieve intelligent phase plan preparation, automatic generation of decision-making indicators, full-area signal control of the station area, automatic uncoupling at the hump peak, precise control of hump shunting, automatic driving of shunting locomotives, and intelligent drone inspection.	Research has been conducted on existing marshalling yard systems to achieve intelligent indoor operations and mechanised outdoor operations, which are at the leading level domestically.	It can be used for railway marshalling yards and sections with automated hump yards.
35	Satellite-based Mobile Block Train Control System	8,770.00	2,497.61	2,497.61	The satellite-based mobile block train control system has entered the international market, securing a commercial contract for the signal and train operation control system for the Morebaya-Simandou Railway in Guinea. The demand definition, architectural design, and interface definition for the overseas freight railway mobile block signal system solution have been completed. The design liaison for the Morebaya-Simandou Railway has also been completed.	The project aims to tailor a safe, efficient, and cost-effective mobile block signal system solution for freight railways.	Advanced technologies such as intelligent information processing, multi-source fusion for autonomous train positioning, fully electronic target control, SIL4 train integrity checks, and heavy-load train control, the system achieves comprehensive dispatching and command for the entire freight process, along with lightweight mobile block train control.	It can be applied to freight railways.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
36	"Xihe" digital urban rail solution	5,858.00	3,002.70	3,002.70	The "Digital Urban Rail Solution Research Project" completed the release of the concept prototype at the digital urban rail laboratory level on June 28. The prototype was introduced and demonstrated at the "2024 Digital Urban Rail Innovation Forum," hosted by the Shanghai Metro Autonomous Train Control System Engineering Research Centre on June 28 2024.			

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
37	Research and application of general-purpose visual large models in the railway sector	1,300.00	728.15	728.15	<p>The development of the open-category object detection module for the visual large model has been completed, and hardware deployment has been accelerated. The development of the large model's image/text feature extraction and search module has also been completed. The sample labelling rules have been developed and optimised, with the collection and labelling of 100,000 image samples and 200,000 image-text pair samples completed. A training cluster with multiple H20 graphics cards within a single server has been set up, with 100% completion. The hardware acceleration for the visual (phrase location) branch of the large model in the railway sector has been completed, reaching 100%. The preliminary development of the scene-level image-text retrieval function has been completed, and the development of the object-level image-text retrieval function is underway. Additionally, the large model and its external logic for object and image-text retrieval are being optimised to meet the specific needs of cross-scenario personnel search at Kunming Station. Meanwhile, the demand collection and organisation for the image-text question answering function, based on the actual needs of projects such as Kunming, Tieli, and Yichun, have been completed, along with the development of labelling rules for training samples. The relevant algorithms and systems have been deployed in Kunming and Yichun.</p>	<p>Centred around the visual large model architecture for the railway sector, the project intends to further extract effective information obtained through multi-modal methods. The Company has developed a dedicated large model algorithm, system, and intelligent analysis equipment for railway anomaly intrusion monitoring and alarm. This has resulted in a railway anomaly intrusion detection solution based on multi-modal fusion large models.</p>	<p>By fully leveraging the visual large model's existing general object categories, more than ten railway-specific object categories have been added. This has addressed the issue of target detection for specific objects in railway scenarios, including problems related to small- or even zero-sample training. Additionally, it solves the challenges of cross-scenario and cross-modal matching and retrieval for railway personnel, objects, and other entities. In the vertical application domain of visual large models for rail transit, this solution is at an industry-leading level.</p>	<p>It can be applied in the field of rail transit.</p>

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
38	Development and application of the integrated air-ground-network global intelligent perception system	655.00	476.12	476.12	The development of the Video AI Cockpit Application Platform and the mobile App have been completed. Domestic adaptation, including the development of databases, middleware, and operating systems, has also been completed. The upgrade of the algorithm management module for the Video AI Empowerment Analysis Platform System V2.0, including the algorithm centre and access scheduling module, has been completed. The functional development of the task centre, the sharing centre, and the strategy centre has been finished. Additionally, the adaptation of domestic operating systems, databases, and middleware has been completed. The development of the integrated air-ground-network global intelligent perception system, including the Video AI Cockpit Application Platform System V2.0, has been successfully completed.	By integrating data from video, drone, and sensor devices, and utilising artificial intelligence technologies to proactively perceive and alert on events, an integrated air-ground-network global intelligent perception system is developed. This system assists in the proactive perception and alerting of urban events, contributing to intelligent city management.	Through the Internet of Things (IoT) technology, the system integrates a large number of urban-level sensing devices. Based on AI analysis, spatial location analysis, and other technologies, the project builds an integrated air-ground-network global intelligent perception system with proactive sensing and intelligent handling capabilities. This system enables centralised access and management of video, drone, and sensor device resources, real-time event analysis and alerting, and the perception of urban events.	It can be used in the smart city sector.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
39	Research on key technologies for intelligent operation and maintenance of railway communication rooms	676.50	438.04	438.04	The intelligent operation and maintenance technical solution for railway communication rooms has been completed. The software development for the intelligent operation and maintenance management system for railway communication rooms has been finished. The development of the lifecycle management subsystem for railway room equipment has been completed. The application in the Meizhou-Longchuan High-speed Railway project has been completed. The prototype development for the battery balancing management equipment has been completed.	The data centre management system integrates multiple business and is based on intelligent perception technology, digital twin technology, data visualisation technology, and other integrated services. The data system creates a safety management model in the operation and maintenance process that includes real-time monitoring, pre-warning, in-process alarms, and post-event evidence collection. This approach reduces the workload of the operation and maintenance departments and improves the efficiency of the maintenance personnel.	Visualisation monitoring based on 3D modelling and digital twin technology; synchronisation of the data centre inspection robot's spatial trajectory with the 3D scene in the data centre; support for battery balancing and management to improve battery lifespan; health status detection and prediction of communication room equipment based on PHM technology, achieving an industry-leading level.	It can be applied in the field of rail transit.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

No	Name of Project	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
40	Research on key 5G technologies for rail transit and equipment development	2,400.00	925.39	925.39	The prototype for the lightweight 5G private network base station has been completed. The 5G communication laboratory environment setup and equipment debugging for the 5G communication lab have been finished, and the 5G private network demonstration application at Chengdu North Station has been completed. The development of the 5G core network system prototype has been completed, along with the deployment plan and demonstration application for the nuclear power 5G private network.	The project intends to develop key core 5G communication equipment, including lightweight 5G base stations, private network terminals, and private network core networks, forming a complete set of 5G communication equipment for rail transit.	Based on public 5G technology, 5G-R technology and equipment suitable for China Railway's private network are developed to promote the intelligent and green development of China's railway sector.	It can be used at rail transit stations and along the lines.
41	R&D and application of signal system equipment for the Hungarian section of the Hungary-Serbia railway	4,542.30	1,253.25	1,253.25	The needs research for the Hungarian client has been completed, along with the product adaptation research and testing for interlocking, level crossings, RBC, safety signal machines, and CTC. The laboratory environment for three stations and three sections has also been set up.	The adaptation development for the Hungarian computer interlocking system, the wireless block centre, and the level crossing control system has been completed. The on-site laboratory has been set up, and full support has been provided to ensure the success of the Hungary section of the Hungary-Serbia Railway project.	This marks the first time that Chinese railway signal products have entered the EU market on a large scale and systematically, fully demonstrating their role as a model and laying the foundation for expanding into other EU countries. The products are at an internationally advanced level.	Overseas market
Total	/	225,375.23	71,992.41	172,363.48	/	/	/	/

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Explanation

For all rail transit sectors such as high-speed railway, normal-speed railway, local railway, heavy-haul railway, urban rail transit, urban (suburban) railway, maglev and special tourist line, the Company analysed the corresponding scenarios and special demands, carried out research and development activities oriented to market targets and developed advanced technologies leading the industry, such as automatic unmanned train operation, train autonomous circumambulation, coordinated transportation and management for regional passenger traffic, train traffic control automation, safe computer platform, full-electronic computer interlocking control, intelligent detection, operation and maintenance of rail transportation, rail transit simulation test, turnout switch and electromagnetic shielding. It developed control systems and fundamental equipment applicable to target scenarios with complete functions and outstanding performance, such as the independent CTCSS-3 train control system, the new train control system based on BDS, the train control system for normal railways, the high-density automatic operation control system for ad-hoc network of heavy-haul trains, the new generation of centralised traffic control system, the intelligent passenger traffic analysis system, the integrated analysis system of Internet of Videos, the integrated video monitoring system, the train autonomous circumambulation control system, the CBTC system based on full-electronic interlocking, the intelligent light rail transit control system, the intelligent urban rail dispatching system, the intelligent diagnosis system on turnout switch, the integrated train control interlocking equipment, the full-electronic interlocking equipment, the satellite-based mobile block signalling train control system, the rail breakage monitoring system of turnouts, video AI cockpit application platform, video AI-enabled analysis platform, integrated information security management system, the cloud application management platform for videos, the three-dimensional real-scene video system of railway stations and array computing vision system. It also conducted demonstration, opening and application in domestic and overseas markets, vigorously supporting the rapid market expansion of the Company in the rail transit sector.

5. *Research and development personnel*

Unit: '0,000 Yuan Currency: RMB

Basic Information

	Amount for the current period	Amount for the corresponding period of last year
Number of research and development personnel in the Company (person)	5,064	4,345
Percentage of total research and development personnel in total personnel of the Company (%)	26.65	22.67
Total remuneration for research and development personnel	142,976.91	109,925.72
Average remuneration for research and development personnel	28.23	25.30

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Educational background of research and development personnel

Educational background	Number (person)
Doctoral degree	92
Master's degree	2,037
Bachelor's degree	2,712
Junior college diploma	223
High school diploma or below	–

Age structure of research and development personnel

Age band	Number (person)
35 years old and below	2,692
36 to 40 years old	1,119
41 to 45 years old	706
46 to 50 years old	322
51 to 54 years old	143
55 to 59 years old	82

Reasons for material change on composition of research and development personnel and the impact on the future development of the Company

☐ Applicable ☒ Not applicable

6. Other explanation

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

III. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

i. Core competitiveness analysis

☒ Applicable ☐ Not applicable

1. *Leading market position*

As the main force of China's rail transit construction, the Company provides products and services for the rail transit construction of CNRG, 18 Railway Administrations, more than 50 cities and many factories and mining enterprises. The Company enjoys a good reputation all over the country and is the most trusted expert of rail transit control system. The Company provides core train control technology and equipment for the majority of high-speed railways that have been opened and are operational in China. It holds approximately 40% of the domestic market share for urban rail transit control systems. The Company's full industrial chain services, including design, integration, products, and construction of urban rail transit control systems, cover more than 80% of the operational and under-construction lines across the country. It is a leading provider of urban rail transit control system solutions in China. The exceptionally high market share has also laid a solid foundation for the Company's future efforts to update, transform and operate and maintain the market.

2. *Outstanding comprehensive technological innovation strength and core technology reserves*

The Company has adhered to independent innovation with over 5,200 registered patents and realised the absolute independent ownership of intellectual property rights and 100% domestic production of products for the core technologies of train operation control, thus helping its new rail transportation control technologies regarding all rail transit sectors such as high-speed railways, normal-speed railways, local railways, heavy haul railways, urban rail, urban (suburban), maglev and special tourist lines, automatic unmanned train operation technology, satellite-based mobile block signalling train control system, coordinated transportation and management for regional freight, train traffic control automation technology, safe computer platform technology, fully electronic computer interlocking control technology, train control integration technology, intelligent detection, operation and maintenance technology of rail transportation, rail transportation simulation test technology, turnout switch technology and railway video analysis technology hold a leading position among peers. Relying on the world-leading comprehensive research and development strength, the Company has developed core technologies of rail transportation control system with independent intellectual property rights and its products and services have been widely used in fields including railway and urban rail transit, which has established the Company's leading position in the industry.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

As the entity responsible for general affairs of each of the Communication and Signalling Technical Sub-committee under the National Railway Transportation Electrical Equipment and System Standardisation Technical Committee (in relation to national standards) and the Communication and Signalling Technical Sub-committee under the Railway Industry Electrical Equipment and System Standardisation Committee (in relation to industry standards, being the original entity responsible for the management of equipment standards, technical standards and product standards in relation to rail transportation control system in China), the Company has promoted the establishment of the national technical standards system and railway industry technical standards system for the rail transit communication and signalling in China, and has led the establishment of the most important, advanced and fundamental technical standards for railway and urban transit control systems in the PRC, such as CTCS and CBTC. The Company has extremely rich experience in the construction and operation of high-speed railway control systems, complex railway hub revamping experience, existing line upgrading and revamping experience, customisation experience to meet transportation needs in different regions, and construction and maintenance experience for all forms of urban rail transit including urban rail, subway, maglev and tram. In addition, the Company also has advanced research and development ("R&D"), experiment and test institutions. The completeness and scale of its laboratory facilities are in a leading position in the world.

The Company has built a high-level innovation platform and technical support capabilities, vigorously promoted innovation platform and demonstration construction, gathered innovation elements, optimised the allocation of innovation resources, and formed a leading sci-tech innovation platform and demonstration pattern, including 3 postdoctoral workstations, 3 academician workstations, 12 national and industry innovation platforms, 21 national innovation demonstrations, and 38 provincial and ministerial innovation platforms providing strong platform support for the realisation of high-quality innovation and development of enterprises.

3. Extensive engineering project management experience

Over the years, the Company has served the construction of national railway and urban rail transit, implemented the strategy on the building of national strength in transportation and regional coordinated development strategy, successively participated in the construction of major domestic high-speed railway projects, and deeply participated in the speed increase of national railway for six times. It has experience in many projects involving long mileage, high altitude, alpine region and heavy-haul trains with capacity of over 10,000 tons. Many projects have been ranked "first" in China and even the world, and the standardised management of engineering services has become the industry benchmark, which has improved the weak current process standard and image of China's rail transit, and established and maintained the Company's leading position in the industry. Leveraging the Company's full industrial chain advantages in the rail transit control sector, innovative breakthroughs have been made in the factory-based pre-configuration of communication signal equipment. The first typical case in this field has been created nationwide, achieving a comprehensive innovation in factory-based production that integrates elements such as engineering design, process organisation, key technologies, new materials, and integrated management. The level of engineering construction in the rail transit control sector has continued to improve.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

4. *One-stop service capabilities for the entire industrial chain*

The Company professionally provides integrated services covering investment and financing, design and integration, equipment manufacturing, system implementation, supporting project construction and repair and maintenance for rail transportation control system. As a company with the most comprehensive technology mix and the most system products in the domestic industry, it has 13 modern production bases all over the country, creating a complete industrial chain in the field of rail transit control. It is the only company in the world that can provide one-stop services for the entire industrial chain from investment and financing to R&D and design, equipment manufacturing, engineering services and operation and maintenance. The one-stop services can effectively reduce the construction, operation and management costs of customers and the system compatibility related risk in complex lines, and minimise the impact of renovation projects on normal operations. While adapting to common requirements, it can also provide customers with a flexible combination of different products and services based on the actual needs of customers; with the Company's internal efficient and accurate information-based management, such one-stop services can help to effectively reduce marketing cost, and lay a good foundation for tracking and carrying out maintenance, repair and upgrading business.

5. *Highly reliable and safe core services and products*

The Company establishes classified enterprise standards according to relevant international, national and industrial standards, implements strict and prudent quality and safety control measures, so as to ensure the high reliability and safety of rail transportation control system solutions and core products, and provide support for the safe and efficient operation of national rail transportation. The Company focuses on its main responsibilities and businesses, deeply analyses the business development model, establishes system management thinking, deepens system integration, improves operational efficiency and builds a whole industrial chain safety and quality control system. The Company's quality management follows the requirements of ISO9001: 2015 Standard, establishes quality control rules and system process, with quality management systems to maintain continuous improvement and meet the requirements of standards. All subordinate enterprises of the Company which engage in the fields of R&D and design, system integration and industrial manufacturing have passed the ISO/TS22163: 2017 (the upgraded standard of International Railway Industry Standard (IRIS)) certification; all subordinate enterprises of the Company engaged in the field of R&D and design have passed the maturity assessment and certification of CMMI software. The Company's rail transportation control system products meet the European EN50126 standard for railway product safety, and the Company strengthens the supervision of product safety and security, and effectively strengthens the control of new product development process and existing product change process and meets the generally accepted international quality requirements regarding safety, reliability, availability and maintenance.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

6. *Stimulating innovation and vitality and promoting development through scientific research*

The Company implements the innovation-driven development strategy and accelerates the training of innovative talents through multiple channels. The Company makes good use of existing human resources, increases the training of expert-level leading talents and key researchers, facilitates the career development of scientific and technological talents, and improves the incentive and evaluation system for result transformation to stimulate the innovation and vitality of researchers. The Company improves quality, increases efficiency, and achieves upgrade and sustainable and healthy development under the support and guidance of technology innovation. The Company unswervingly takes the road of independent innovation, truly contributing to promoting corporate transformation and upgrading.

5,064 employees of the Company are engaged in technological research and development, accounting for 26.65% of the total employees, 42.04% of whom have graduate degrees or above. The excellent talent team has laid a solid foundation for the Company to develop core technologies and maintain technical advantages.

ii Events which have a serious impact on the Company's core competitiveness, impact analysis and measures during the Reporting Period

☐ Applicable ☒ Not applicable

IV. RISK FACTORS

i. Risk of not yet achieving profitability

☐ Applicable ☒ Not applicable

ii. Risk of sharp decline or loss of results

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

iii. Core competitiveness analysis

☒ Applicable ☐ Not applicable

The rail transit control system industry in which the Company operates is still in a healthy development stage. New-generation information technologies are gradually merging with traditional control systems. The drive of emerging technologies, along with new demands arising from railways and urban rail transit, may lead to upgrades and replacements of the Company's main system equipment, posing new and higher requirements for the Company's technological innovation. If the research progress of new technologies is slow, it will affect the development pace of the next-generation system products and hinder the Company's efforts to maintain its leading position in innovation.

Response measures: Based on the long-term development needs of the industry and the Company, key technological issues will be refined, emerging technologies will be identified, and new industry demands will be focused on. Key research projects will be formulated, strategic forces will be deployed, innovation resources will be coordinated, and project management for new technology research and development will be strengthened. Resources for new technology and product R&D projects will be allocated effectively to ensure the completion of established R&D tasks. The integration of technological research and market operations will be strengthened, with a focus on the conversion of scientific and technological achievements. Market targeting will be precise, user-specific demand response speed will be improved, and R&D strategies will be adjusted in a timely manner. This will help the Company maintain its leading edge in technological innovation and support its sustained, healthy, and high-quality development.

iv. Operational risk

☒ Applicable ☐ Not applicable

Affected by factors such as the slowdown in macroeconomic growth, the construction of new urban rail transit lines in China is tightening, and market competition has further intensified. In some overseas target project countries (regions), political instability or factors such as financial conditions have weakened investment willingness, making it more difficult to expand in overseas markets. The nature of the industry sectors where the Company operates determines the possibility of liability compensation or government penalties arising from the design, research and development, manufacturing, installation, testing, maintenance, and sales of products or services.

Response measures: First, it will strengthen technological innovation, promote the digital transformation of traditional industries, implement industrial foundation reconstruction projects and major technology and equipment research projects, strengthen digital empowerment, and optimise the upgrade and layout of industries. Second, it will explore overseas market opportunities, enhance the ability and efficiency of international resource allocation, conduct in-depth research on country-specific markets, strengthen project due diligence and risk assessment, and improve the risk management and operational level of overseas businesses. Third, it will continuously optimise the reliability, availability, and safety of in-service equipment, improve the operational quality of in-service equipment, and enhance user recognition and satisfaction.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

v. Financial risk

☒ Applicable ☐ Not applicable

Some of the railway, urban rail, and infrastructure construction projects undertaken by the Company have characteristics such as long construction periods, large investments, slow settlement, and delayed recovery. Some contract assets or receivables have long settlement and recovery periods, which may adversely affect the current profits.

Response measures: During the contract acquisition stage, the project risks will be strictly controlled. Various effective measures will be actively taken to resolve existing risks. Responsibility for managing accounts receivable will be further strengthened, with regular analysis and dynamic monitoring of key project contract assets and receivables. Incentives and constraints will be reinforced, and multiple strategies will be implemented to ensure comprehensive measures are in place. Regular and detailed management will be applied to promote the timely recovery of funds.

vi. Industry risk

☒ Applicable ☐ Not applicable

The new railway line opening mileage has decreased, and the progress of the equipment upgrade and renovation market has not met expectations. The investment planning for the urban rail transit market has been further tightened. The low-altitude economy industry transformation and upgrading are not yet mature, and the results will take some time to materialise.

Response measures: The Company will be strategically oriented to consolidate and expand its advantages in the entire rail transit industrial chain, promote the extension of intelligent control technologies, and develop intelligent rail transit, intelligent low-altitude, smart city, and intelligent operations businesses. The Company will foster the “low-altitude airspace control, drone manufacturing, and service operations featuring “three industries and one ecosystem” industrial structure for the low-altitude economy, striving to strengthen emerging pillar industries that support the Company’s continuous development. This will form a diversified industrial pattern with a reasonable structure, scientific layout, and efficient collaboration.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

vii. Macroeconomic environment risk

☒ Applicable ☐ Not applicable

Currently, the global political and economic landscape is undergoing profound changes, while the domestic economy is overall presenting a “steady progress” trend. The economic structure is continuously optimising, and quality and efficiency are improving, but there are still numerous challenges. The primary issues include the need to further resolve local government debt problems, insufficient effective demand, and the lack of smooth domestic circulation.

Response measures: The Company will further focus on its core responsibilities and businesses, steadily exit the municipal and housing construction sector, and help relevant enterprises transition into rail transit, new energy, new infrastructure, and strategic emerging industries, leveraging existing qualifications. In line with national policy directions, and considering the high-risk debt situation in many regions, the Company will adjust its capital operations and business direction, strictly control business investment projects, and shift towards industrial incubation and development. The Company will take advantage of the country's leadership in foreign aid and the favourable national overseas policy support to actively explore markets. It will accurately grasp the policy information and dynamic directions of target countries, accelerate its overseas market and industrial layout, strengthen international operations, and actively integrate into the global market competition landscape.

viii. Risks related to depositary receipts

☐ Applicable ☒ Not applicable

ix. Other major risks

☒ Applicable ☐ Not applicable

As the Company's operations are mainly in Mainland China, over 95% of the Company's revenues, expenses and financial assets and financial liabilities are denominated in RMB. Therefore, the impact of fluctuations in the exchange rate of RMB against foreign currencies on the Company's results of operations is not significant. As at 31 December 2024 and 31 December 2023, the Company had not entered into any hedging transactions to reduce the Company's exposure to foreign exchange risk in this regard.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

V. MAIN OPERATIONS DURING THE REPORTING PERIOD

In 2024, the Company will focus on enhancing core functions and improving core competitiveness. It will further concentrate on its primary responsibilities, core business, and key sectors, optimise its business structure, promote the transformation and upgrading of traditional industries, and accelerate the layout of strategic emerging industries. This will result in a significant qualitative improvement in economic benefits and reasonable quantitative growth. During the Reporting Period, the Company recorded a revenue of RMB32.473 billion, representing a year-on-year decrease of 12.24%, net profit attributable to shareholders of the parent company of RMB3.495 billion, representing a year-on-year increase of 0.5%, and net profit deducting non-recurring profit or loss attributable to shareholders of the parent company of RMB3.268 billion, representing a year-on-year increase of 0.07%. As of the end of the Reporting Period, the Company's total assets amounted to RMB117,891 million, a decrease of 0.92% compared to the beginning of the year. The equity attributable to the parent company was RMB48,025 million, an increase of 2.59% compared to the beginning of the year.

i. Core business analysis

1. *Table of analysis of changes in relevant items in the income statement and cash flow statement*

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the corresponding period of last year	Change ratio (%)
Revenue	32,473,033,766.06	37,002,229,438.89	-12.24
Operating Cost	22,985,410,426.71	27,521,352,667.70	-16.48
Selling expenses	851,578,354.01	843,995,580.46	0.90
Administrative expenses	2,388,915,418.98	2,335,834,136.35	2.27
Finance costs	-236,406,851.53	-300,226,847.63	N/A
Research and development expenses	1,912,373,179.29	1,862,286,761.81	2.69
Net cash flow generated from operating activities	5,236,128,730.31	2,058,033,862.99	154.42
Net cash flows generated from investing activities	-586,694,694.38	-1,822,696,404.60	N/A
Net cash flows generated from financing activities	-4,259,989,540.67	-1,462,450,704.78	N/A

Particulars of material changes in business type, profit composition or source of the Company in the current period

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

2. Analysis of revenue and cost

☒ Applicable ☐ Not applicable

(1) Performance of main businesses by industry, product, region and sales model

Unit: Yuan Currency: RMB

Main Businesses by Industry

By segment	Revenue	Operating Cost	Change Ratio (%)	Increase/decrease in revenue as compared to the last year (%)	Increase/decrease in operating cost as compared to the last year (%)	Increase/decrease in gross profit margin as compared to the last year (%)
Rail transit control system	29,551,790,215.39	20,542,273,264.34	30.49	0.99	-0.29	Increased by 0.90 percentage points
Equipment manufacturing	6,602,976,539.18	4,162,381,332.66	36.96	8.02	4.48	Increased by 2.14 percentage points
Design and integration	12,254,463,729.82	7,415,408,915.11	39.49	4.53	4.86	Decreased by 0.19 percentage point
System implementation	10,694,349,946.39	8,964,483,016.57	16.18	-6.40	-6.10	Decreased by 0.26 percentage points
Construction contracting	2,689,055,714.68	2,366,850,330.61	11.98	-64.96	-65.69	Increased by 1.87 percentage points
Others	232,187,835.99	76,286,831.76	67.14	247.78	261.16	Decreased by 1.22 percentage points

Main Businesses by Terminal Market

By product	Revenue	Operating Cost	Change Ratio (%)	Increase/decrease in revenue as compared to the last year (%)	Increase/decrease in operating cost as compared to the last year (%)	Increase/decrease in gross profit margin as compared to the last year (%)
Railway	18,889,975,392.82	13,232,732,861.99	29.95	-1.86	0.61	Decreased by 1.72 percentage points
Urban transit	8,220,445,446.80	5,469,053,993.93	33.47	-3.58	-12.33	Increased by 6.64 percentage points
Overseas businesses	2,441,369,375.77	1,840,486,408.42	24.61	64.20	51.90	Increased by 6.10 percentage points
Construction contracting	2,689,055,714.68	2,366,850,330.61	11.98	-64.96	-65.69	Decreased by 1.87 percentage points
Others	232,187,835.99	76,286,831.76	67.14	247.78	261.16	Increased by 1.22 percentage points

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Main Businesses by Region

By region	Revenue	Operating Cost	Change Ratio (%)	Increase/ decrease in revenue as compared to the last year (%)	Increase/ decrease in operating cost as compared to the last year (%)	Increase/decrease in gross profit margin as compared to the last year (%)
China	30,031,664,390.29	21,144,924,018.29	29.59	-15.44	-19.63	Increased by 3.67 percentage points
Other countries and regions	2,441,369,375.77	1,840,486,408.42	24.61	64.20	51.90	Increased by 6.10 percentage points

Explanation on performance of main businesses by industry, product, region and sales model

In terms of operating income, the Company has consistently adhered to high-quality development. In 2024, the Company focused on enhancing core functions and improving core competitiveness, adjusting its development strategy, and consolidating development consensus. It continued to promote the optimisation and upgrading of the industrial structure, clearing out of the municipal general contracting business. The income from equipment manufacturing and design integration increased by 8.02% and 4.53%, respectively, compared to the previous year. However, income from the general contracting and system delivery service sectors decreased by 64.96% and 6.40%, respectively. Overall, although the Company's operating income declined, the income structure was further optimised.

In terms of gross profit margin, due to the adjustment of the Company's revenue structure and continuous efforts to reduce costs and increase efficiency, the overall gross profit margin has increased by 3.60 percentage points year on year.

This year, overseas business income increased by 64.20% compared to the same period last year. The main reason for the significant year-on-year increase in revenue is the recognition of income from the Hungary section of the Hungary-Serbia Railway project.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(2) Production and sales analysis table

☒ Applicable ☐ Not applicable

Main product	Unit	Production output	Sales volume	Inventory level	Increase/decrease in production output as compared to the last year (%)	Increase/decrease in sales volume as compared to the last year (%)	Increase/decrease in inventory level as compared to the last year (%)
Track circuit equipment	Set	42,744	27,735	18,013	222.82	102.80	499.64
Train control and chain system equipment	Set	2,074	2,178	173	14.08	18.82	-37.55
Signal relay	10,000 sets	52	59	6	-18.75	7.27	-53.85
Turnout switch equipment	Set	13,922	14,251	1,086	7.35	8.18	-23.25
Transponder device	Station/Unit	50,254	41,456	26,644	15.26	10.34	49.30

Explanation of output and sales volume

None.

(3) The performance of the material procurement contract and material sales contract

☐ Applicable ☒ Not applicable

(4) Cost analysis table

Unit: Yuan Currency: RMB

By segment

By segment	Cost item	Amount for the current period	Percentage of amount for the current period in total cost (%)	Amount for the corresponding period of the last year	Percentage of amount for the corresponding period of the last year in total cost (%)	Change of the amount for the current period as compared to that for the corresponding period of last year (%)	Situation description
Equipment manufacturing	Raw material, subcontracting costs, labour cost, etc.	4,162,381,332.66	18.11	3,983,966,043.43	14.47	4.48	
Design and integration	Raw material, subcontracting costs, labour cost, etc.	7,415,408,915.11	32.26	7,072,043,682.59	25.70	4.86	
System implementation	Raw material, subcontracting costs, labour cost, etc.	8,964,483,016.57	39.00	9,546,644,637.71	34.69	-6.10	
Construction contracting	Raw material, subcontracting costs, labour cost, etc.	2,366,850,330.61	10.30	6,897,575,863.26	25.06	-65.69	
Others	Labor cost, subcontracting costs, etc.	76,286,831.76	0.33	21,122,440.71	0.08	261.16	

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

By terminal market

By terminal market	Cost item	Amount for the current period	Percentage of amount for the current period in total cost (%)	Amount for the corresponding period of the last year	Percentage of amount for the corresponding period of the last year in total cost (%)	Change of the amount for the current period as compared to that for the corresponding period of last year	Situation description
						(%)	
Railway	Raw material, subcontracting costs, labour cost, etc.	13,232,732,861.99	57.57	13,152,428,624.90	47.79	0.61	
Urban transit	Raw material, subcontracting costs, labour cost, etc.	5,469,053,993.93	23.79	6,238,563,537.91	22.67	-12.33	
Overseas businesses	Raw material, subcontracting costs, labour cost, etc.	1,840,486,408.42	8.01	1,211,662,200.92	4.40	51.90	
Construction contracting	Raw material, subcontracting costs, labour cost, etc.	2,366,850,330.61	10.30	6,897,575,863.26	25.06	-65.69	
Others	Labor cost, subcontracting costs, etc.	76,286,831.76	0.33	21,122,440.71	0.08	261.16	

Other explanations of cost analysis

Operating cost in 2024 was RMB22,985 million, representing a decrease of 16.48% which was 4.24 percentage points higher than the decrease in revenue, as compared to RMB27,521 million in the corresponding period of last year. The cost of the equipment manufacturing sector was RMB4,162 million, an increase of 4.48% compared to the same period last year. The cost of the design integration sector was RMB7,415 million, an increase of 4.86% compared to the same period last year. The cost of the system delivery service sector was RMB8.964 billion, a decrease of 6.10% compared to the same period last year. The cost of the general contracting sector was RMB2.367 billion, a decrease of 65.69% compared to the same period last year.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(5) *Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the Reporting Period*

☐ Applicable ☒ Not applicable

(6) *Information about significant changes in or adjustments to the Company's business, products or services during the Reporting Period*

☐ Applicable ☒ Not applicable

(7) *Major sales customers and key suppliers overview*

A. Information about main customers of the Company

☒ Applicable ☐ Not applicable

The sales to the top five customers were RMB15,870,171,100, accounting for 48.87% of the annual total sales, of which sales to related parties was RMB0, accounting for 0% of the annual total sales.

Top five customers of the Company

☒ Applicable ☐ Not applicable

Unit: '0,000 Yuan Currency: RMB

No	Name of customer	Sales	Percentage of annual total sales (%)	Whether there is a related party
				Relationship with the listed company
1	Customer 1	1,226,771.13	37.78	No
2	Customer 2	127,699.72	3.93	No
3	Customer 3	106,279.42	3.27	No
4	Customer 4	67,000.48	2.06	No
5	Customer 5	59,266.36	1.83	No
Total	/	1,587,017.11	48.87	/

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Circumstances where the sales to a single customer exceeded 50% of the total sales, there were new customers among the top 5 customers or there was heavy reliance on a few customers during the Reporting Period

☐ Applicable ☒ Not applicable

During the year 2024, none of the Directors, their close associates or Shareholders of the Company (which to the knowledge of the directors owns more than 5% of the issued share capital of the Company) had any interests in the top five customers of the Group.

B. Company's key suppliers overview

☒ Applicable ☐ Not applicable

The purchase from the top five suppliers was RMB819,922,900, accounting for 3.57% of the annual total purchase amount, of which purchase from related parties was RMB0, accounting for 0% of the annual total purchase amount.

Top five suppliers of the Company

☒ Applicable ☐ Not applicable

Unit: '0,000 Yuan Currency: RMB

No	Name of supplier	Purchase amount	Percentage of annual total purchase amount (%)	Whether there is a related party Relationship with the listed company
1	Supplier 1	19,352.98	0.84	No
2	Supplier 2	19,056.84	0.83	No
3	Supplier 3	17,395.83	0.76	No
4	Supplier 4	14,184.00	0.62	No
5	Supplier 5	12,002.64	0.52	No
Total	/	81,992.29	3.57	/

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Circumstances where the purchases from a single supplier exceeded 50% of the total amount, there were new suppliers among the top five suppliers or there was a heavy reliance on a few suppliers during the Reporting Period

☐ Applicable ☒ Not applicable

During the year 2024, none of Directors, their close associates or Shareholders of the Company (which to the knowledge of the directors owns more than 5% of the issued share capital of the Company) had any interests in the top five suppliers of the Group.

3. Expenses

☒ Applicable ☐ Not applicable

Explanation of changes in sales expenses: Sales expenses for this year amounted to RMB852 million, an increase of 0.90% compared to the previous year, remaining relatively stable.

The explanation on reasons for changes in administrative expenses: The administrative expenses for the year were RMB2,389 million, representing an increase of 2.27% compared with the last year, primarily due to the increase in labour cost compared with last year.

Explanation of changes in financial expenses: Financial income for this year amounted to RMB236 million, a decrease of RMB64 million compared to the same period last year, mainly due to a reduction in interest income.

The explanation on reasons for changes in research and development expenses: The research and development expenses for the year were RMB1,912 million, representing an increase of 2.69% as compared to last year, primarily due to the Company's continued investment in research and development for the purpose of enhancing focus on technological innovation.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

4. *Cash flow*

☒ Applicable ☐ Not applicable

Explanation of changes in net cash flow from operating activities: The net cash inflow from operating activities was RMB5,236 million, an increase of RMB3,178 million compared to the previous year. This increase was mainly due to a significant rise in customer deposits and interbank deposits held by the financial company compared to the same period last year.

Explanation on reasons for changes in net cash flow from investing activities: The net cash flow from investing activities was net outflow of RMB587 million, while the net cash flow from investing activities was net outflow of RMB1,823 million last year, mainly due to change in time deposits with maturity over three months.

Explanation of changes in net cash flow from financing activities: The net cash outflow from financing activities was RMB4,260 million, compared to a net outflow of RMB1,462 million from financing activities in the previous year. This increase in outflow was primarily due to the repayment of external borrowings during the current period.

ii. **Explanation on material changes in profit due to non-main businesses**

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

iii. Analysis of assets and liabilities

☒ Applicable ☐ Not applicable

1. Assets-Liabilities analysis table

Unit: Yuan Currency: RMB

Name of Project	Amount at the end of the current period	Percentage of amount at the end of the current period to the total assets (%)	Amount at the end of last period	Percentage of amount at the end of last period to the total assets (%)	Change of the amount at the end of the current period as compared to that of last period (%)
Accounts receivable	26,973,365,116.63	22.88	22,875,547,606.09	19.22	17.91
Contract assets	32,470,218,198.16	27.54	38,228,739,616.63	32.13	-15.06
Non-current assets due within one year	149,226,076.22	0.13	63,287,188.01	0.05	135.79
Construction in progress	809,309,770.26	0.69	400,246,410.75	0.34	102.20
Long-term prepaid expenses	36,901,102.20	0.03	55,688,360.12	0.05	-33.74
Short-term borrowings	143,465,431.83	0.12	2,451,633,147.05	2.06	-94.15
Accounts payable	42,735,743,855.81	36.25	49,669,506,699.81	41.74	-13.96
Contract liabilities	10,260,720,800.40	8.70	7,825,651,674.51	6.58	31.12
Deposits received and interbank deposits	3,001,258,120.80	2.55	138,046,438.06	0.12	2,074.09
Non-current liabilities due within one year	189,549,251.32	0.16	438,571,680.21	0.37	-56.78
Deferred revenue	120,135,472.93	0.10	173,790,666.02	0.15	-30.87

Other explanation

Increase in accounts receivable and decrease in contract assets: This is primarily due to the increase in project contract asset verification, pricing, or settlement.

The increase in non-current assets due within one year was mainly due to the increase in long-term receivables due within one year.

Increase in construction in progress: This is mainly due to the additional investments in construction projects by subsidiaries, such as Tonghao (Xi'an) Rail Transit Industry Group Co., Ltd. and Zhengzhou Xiudong Engineering Consulting Co., Ltd.

Decrease in long-term prepaid expenses: This is primarily due to the amortisation of certain prior-period improvement expenses during the current period.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

Decrease in short-term borrowings: This is mainly due to the repayment of RMB2 billion in borrowings payable to external banks by the parent company of the listed entity.

Decrease in accounts payable: This is primarily due to the settlement and payment of supplier amounts payable to small- and medium enterprise.

Increase in contract liabilities: This is mainly due to the increase in settled but incomplete contracts.

Increase in deposits received and interbank deposits: This is mainly due to the increase in deposits received by the financial company from CRSC Group.

Decrease in non-current liabilities due within one year was mainly due to the decrease of long-term borrowings due within one year.

Decrease in deferred revenue: This is primarily due to the amortisation and recognition of revenue from subsidy projects.

2. *Information of overseas assets*

☐ Applicable ☒ Not applicable

3. *Major assets subject to restriction by the end of the Reporting Period*

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing book value
Monetary funds	443,657,457.27
Bills receivable	409,762,991.02
Accounts receivable	723,342,896.91
Other non-current assets	4,896,343,364.30
Intangible assets	87,067,808.48

4. *Other explanation*

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

iv. Industry operational information analysis

☒ Applicable ☐ Not applicable

For detailed information, please refer to the Company's "SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS".

v. Investment situation analysis

Overall analysis of investment in external equities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Investment Amount during the Reporting Period (RMB)	Investment Amount for the Same Period Last Year (RMB)	Magnitude of Change
3,019,245,621.94	2,755,456,531.17	9.57%

1. *Material equity investment*

☐ Applicable ☒ Not applicable

2. *Material non-equity investment*

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

3. *Financial assets measured at fair value*

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Assets category	Opening balance	Gain/loss on fair value changes for the period	Accumulated changes in fair value recognised in equity	Impairment accrued for the period	Amount purchased for the period	Amount sold/ redeemed for the period	Other changes	Closing balance
Others	1,223,290,285.94	-	-10,746,479.91	-	-	-	-	1,212,543,806.03
Total	1,223,290,285.94	-	-10,746,479.91	-	-	-	-	1,212,543,806.03

Securities investment

☐ Applicable ☒ Not applicable

Derivatives investment

☐ Applicable ☒ Not applicable

4. *Private equity fund investment*

☐ Applicable ☒ Not applicable

5. *Details about the progress of significant asset restructuring and integration during the Reporting Period*

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

vi. Major asset and equity sales

☐ Applicable ☒ Not applicable

vii. Analysis of major holding and associated companies

☒ Applicable ☐ Not applicable

For details, please refer to “VII. Note (XVII) to Items in the Consolidated Financial Statements” and “X. Interests in Other Entities” of Section XI Financial Report.

viii. Status of the structured entity controlled by the Company

☐ Applicable ☒ Not applicable

ix. Use of proceeds from H-Share fundraising

The proceeds raised from H shares amounted to approximately RMB9,104 million. As of 31 December 2024, a total of RMB8,536 million of proceeds raised from H shares have been used, of which RMB2,731 million was used in long-term research and development, including the construction of the CRSC Railway Transportation Research Centre and technology research projects; RMB1,821 million was used in the fixed asset investments, including the technical overhaul of CRSC Xi'xin production base, the Company's subsidiary, and Changsha Industrial Park; RMB108 million was used in general equity acquisition; RMB1,253 million was used in investment of Tianshui Tramcar project and other PPP projects related to railway transportation; and RMB2,623 million was used to supplement working capital (On 12 June 2020, the Company convened the general meeting and considered and approved the Resolution on Change in the Use of Proceeds Raised from H Shares, according to which the Company intends to change the portion of the proceeds of RMB1,713 million allocated for general domestic and overseas acquisition to general domestic and overseas purposes (supplementing working capital)). The Company confirms that, apart from RMB1,713 million allocated for general domestic and overseas acquisition, the proposed usage plan of the aforesaid proceeds is consistent with the use of proceeds as disclosed in the prospectus. Aside from the aforementioned fund usage, as of December 31, 2024, the remaining RMB568 million of the Company's H-share raised funds, and was originally planned to be used up by 31 December 2025. In view of the tightening of policies on PPP investment projects in recent years, and in the interests of the Company and its shareholders as a whole, and taking into account market conditions and the Company's business needs, to positively consider the planned use of the proceeds and the expected timetable for their use, the Company intends to change the use of the aforementioned raised funds for investment in rail transit-related PPP projects to general domestic and overseas purposes. The Company will disclose details of the planned change in the use of raised funds in a timely manner, and will disclose the expected timeline for use once the plan has been finalised.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

V. DISCUSSION AND ANALYSIS OVER THE FUTURE DEVELOPMENT OF THE COMPANY

i. Industry landscape and trends

☒ Applicable ☐ Not applicable

Internationally, companies in the rail transit control system sector are gradually consolidating. In recent years, Alstom has acquired Bombardier's railway business, and Hitachi has acquired Thales' ground transportation systems business, both of which have enhanced their integration capabilities and competitive strength. It is foreseeable that in the near term, companies such as Siemens, Alstom, and Hitachi, which have been deeply entrenched in the global market for many years, will maintain their leading position. However, China State Railway Group (CRSC), supported by the national "Belt and Road" policy, world-class technological levels, and rich project implementation experience, will continue to enhance its brand recognition and global influence as its operational layout improves and operational capabilities grow.

Domestically, the overall competitive landscape of the rail transit industry is unlikely to change significantly in the short term. Due to qualification and performance thresholds, the high-speed rail weak current system integration business will continue to see competition mainly from CRSC and China Railway Electrification Bureau, China Railway Wuhan Electrification Bureau, and China Railway Construction Electrification Bureau, along with other subsidiaries of China Railway Engineering Group and China Railway Construction Group. In the core railway control system sector, companies like China Academy of Railway Sciences and HollySys will continue to compete with CRSC in one or more subsystem products. However, for the foreseeable future, CRSC's market leadership position remains secure. In the field of urban rail control system, from the perspective of overall market performance in recent years, the market remained dominated by the leading enterprises. The market share of each enterprise may fluctuate to some extent as the demand for investment drive in some cities gradually increases and new competitors continue to emerge.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

ii. Corporate development strategy

☒ Applicable ☐ Not applicable

The Company remains committed to its core responsibilities, innovation-driven leadership, quality focus, and multi-industry collaboration. It firmly grasps the “three generals” (overall principles), effectively utilises the “two pathways,” and fully leverages the “three roles.” The Company implements the “12335” strategy, which is as follows: Adheres to intelligent control as the core technology; focus on the dual tracks of rail transit and low-altitude economy; consolidate and expand the “three-in-one” full industrial chain advantage in rail transit; establish the “three industries and one ecosystem” development model of the low economy; enhance its service functions for major national strategies; strengthens the leading role of technological innovation; develop new quality productive forces; create five key pillars; establish a world-class high-tech industrial group with global competitiveness.

The “12335” strategy includes:

“1” refers to using intelligent control as the core technology, broadening the “intelligent control + N” industrial path, and forming a unified technological development approach.

“2” refers to focusing on the “two pathways” of rail transit and low-altitude economy, expanding the development radius.

“3” in the rail transit sector focuses on serving the country’s major strategic needs, ensuring rail transit operational safety, actively improving transportation efficiency, accelerating the development of smart transportation, building operation control and maintenance platforms, and consolidating the “three-in-one” full industrial chain advantage of “four-electrical” business engineering design, equipment manufacturing (including software), and engineering services.

“3” in the low-altitude economy sector involves actively cultivating strategic emerging industries, leading with technological innovation, and establishing the “three industries and one ecosystem” development model of low-altitude airspace control, drone manufacturing, and service operations, thereby creating new economic models, new business formats, and effectively reducing logistics costs across society.

“5” refers to creating five key pillars: Technological Communication Signal, Digital Communication Signal, Safe Communication Signal, Dynamic Communication Signal, and Value Communication Signal.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

iii. Business plan

☒ Applicable ☐ Not applicable

In 2025, CRSC will adhere to the principle of stability, seeking progress while maintaining stability. The Company will focus on its ultimate goal of becoming a “major national asset” in the field of intelligent control. The focus will be on the “rail transit + low-altitude economy” dual tracks, continuously consolidating and deepening the new advantages of the “three-in-one” full industrial chain of rail transit through digital intelligence empowerment. The Company will accelerate the shaping of the “three industries and one ecosystem” industrial structure for the low-altitude economy through effective market implementation. It will adhere to the principle of achieving success through quality while leveraging the economies of scale. The Company will fully strive to achieve all business targets for 2025, ensure the successful completion of the 14th Five-Year Plan, and lay a solid foundation for the start and development of the 15th Five-Year Plan.

iv. Others

☐ Applicable ☒ Not applicable

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

VII. OTHER DISCLOSURES

(I) Environmental Policies and Performance of the Company

Environmental policies and performance of the Company are set out in the section VI “Environmental and Social Responsibilities and Other Corporate Governance Matters” of this report.

Further details of the environmental policies and performance of the Company are set out in the “Environmental, Social and Governance Report” published concurrently with the 2024 annual report of the Company.

(II) Compliance with Laws and Regulations

As the Group’s main businesses are to provide specialized one-stop solution of design and integration, equipment manufacturing and system implementation services for rail transportation control systems to our customers, the Group is subject to relevant PRC policies, laws and regulations, including the Railway Law of the People’s Republic of China (《中華人民共和國鐵路法》) and the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) and is under supervision of other government authorities. Such laws, regulations and policies mainly govern the operation and management of railway industry. In addition, all business operations of the Group are subject to the laws and regulations regarding quality, safety production, environmental protection, intellectual property and labor. Any violation of those laws and regulations may result in sanctions, including warnings, penalties and order to rectify, which may have an adverse impact on the Group’s business operation and future development.

In addition, the Group is required to obtain and maintain valid permits, licenses, certificates and approvals from various governmental authorities or institutions under relevant laws and regulations for our businesses of design and integration, product manufacturing and system delivery services. The Group must comply with the restrictions and conditions imposed by various levels of governmental authorities to maintain the Group’s permits, licenses, certificates and approvals. Should the Group fail to comply with any of the regulations or meet any of the conditions required for the maintenance of the Group’s permits, licenses, certificates and approvals, such permits, licenses, certificates and approvals could be temporarily suspended or even revoked, or the renewal thereof, upon expiry of their original terms, may be delayed or rejected, which could materially and adversely impact our Group’s business, financial condition and results of operations.

As a company incorporated in the PRC with limited liabilities and listed on Main Board of Hong Kong Stock Exchange and Science and Technology Innovation Board of SSE, the Company is governed by various applicable domestic laws and regulations including Company Law, the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) and the Management Guideline on Comprehensive Risk of Central Enterprises (《中央企業全面風險管理指引》) promulgated by the SASAC, as well as the Listing Rules of the Hong Kong Stock Exchange and SSE and other securities regulatory rules. The Group has implemented internal control measures to ensure its compliance with such laws and regulations. Based on a comprehensive review of the business performance of the Group, the Board is of the view that the Group has been in compliance with the requirements of relevant laws and regulations in all material respects.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(III) Performance and Distribution

The performance of the Group for the year ended 31 December 2024 and the financial position of the Group as at 31 December 2024 are set out in the section XI "Financial Report" of this report.

The implementation of cash dividend policy of the Company during the Reporting Period is set out in the section V "Corporate Governance" of this report.

(IV) Distribution Plan and Policy of Dividend

The Company's distribution plan and policy of dividend is set out in the section V "Corporate Governance" of this report.

(V) Issued Share Capital

As of 31 December 2024, the total share capital of the Company was RMB10,589,819,000, divided into 10,589,819,000 shares with a nominal value of RMB1.00 each. Details of the change of the share capital of the Company during the Reporting Period are set out in the note VII. (LIV) of the section XI "Financial Report" in this report.

(VI) Repurchase, Sale or Redemption of Listed Securities of the Company

During the Reporting Period, save as disclosed in this report, neither the Company nor any of its subsidiary repurchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares as defined in the Listing Rules of the Hong Kong Stock Exchange) under the Listing Rules of the Hong Kong Stock Exchange.

As of 31 December 2024, the Company and any of its subsidiaries did not hold any treasury shares.

(VII) Property, Plant and Equipment

Details of property, plant and equipment of the Group for 2024 are set out in the note VII. (XXI) of the section XI "Financial Report" in this report.

At the end of the Reporting Period, the Group had no investment properties or properties held for development and/or sale with one or more of the percentage ratios (as defined under Rule 14.04 (9) of the Listing Rules of the Hong Kong Stock Exchange) exceeding 5%.

(VIII) Taxation

Details of the taxation of the Group for 2024 are set out in note VI of the section XI "Financial Report" in this report.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(IX) Events After the Balance Sheet Date

Details of the events after the balance sheet date of the Group are set out in the note XVII of the section XI “Financial Report” in this report.

(X) Capital Reserve, Surplus Reserve and Special Reserve

Details of the capital reserve, surplus reserve and special reserve of the Group for 2024 are set out in the note VII. (LVI), (LX), (LIX) of the section XI “Financial Report” in this report.

(XI) Distributable Reserve

The distributable reserve of the Company as of 31 December 2024 is set out in the note VII. (LXI) of the section XI “Financial Report” in this report.

(XII) Staff

Staff is the key for the Group's sustainable development. Details of the staff of the Group are set out in the section V “Corporate Governance” of this report.

(XIII) Bank and Other Borrowings

Details of the bank and other borrowings of the Group as of 31 December 2024 are set out in the note VII. (XXXII), (XLVI) of the section XI “Financial Report” in this report.

(XIV) External Donations

For details about the Company's external donations for the year 2024, please refer to “(ii) Types and contributions of charitable activities” of “III. Social Responsibility Work” in Section VI “Environmental and Social Responsibilities and Other Corporate Governance Matters”.

(XV) Directors, Supervisors and Senior Management

The information on the Directors, Supervisors and Senior Management of the Company is set out in the section V “Corporate Governance” of this report.

(XVI) Changes in Directors, Supervisors and Senior Management

Changes in the Directors, Supervisors and Senior Management of the Company are set out in the section V “Corporate Governance” of this report.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(XVII) Service Contracts of Directors and Supervisors

Each of the Directors and Supervisors has entered into a service contract with the Company, the principal particulars of which comprise: (1) the term is from the date of appointment and until the date of the expiration of the incumbent Board/the incumbent Supervisory Committee; and (2) it could be terminated in accordance with their respective terms.

Save as disclosed above, none of the Directors or Supervisors has entered into or intends to enter into a service contract with any member of the Group (other than contracts expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation)).

Save for service contracts, there were no any management and administration contracts in relation to the whole or any significant part of the business signed or in existence.

(XVIII) Remuneration of Directors, Supervisors and Senior Management

Remuneration of the Directors and Supervisors is paid in the form of fees, salaries, pension-defined contribution, discretionary bonuses, housing allowances and other allowances and benefits in kind.

Details of the Directors, Supervisors and the five highest paid individuals of the Company are set out in the note XIV. (V) of the section XI "Financial Report" in this report.

During the Reporting Period, the remuneration scale of the Senior Management members (except for Dr. NGAI Wai Fung, one of the joint company secretaries of the Company, who serves as the director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited) whose biographical details are set out in this report is disclosed in the section V "Corporate Governance" of this report.

(XIX) Interests of Directors and Supervisors in Transactions, Arrangements or Contracts

1. *Interests of Directors in Competing Businesses*

During the Reporting Period, the Group did not participate in, directly or indirectly, concluding transactions, arrangements or contracts of significance in which any Director or the Supervisor or any entity which he or she was related to was materially interested, and related to the businesses of the Company and were subsisting during or by the end of the year.

2. *Directors and Supervisors Serving in Competing Businesses*

The businesses of the Group are partially competing with those of CRSC Group. The Company's executive Directors, Mr. LOU Qiliang and Mr. ZHANG Quan, devote most of their time into the management of the Company's daily operations. The information about the Directors of the Company who held positions in CRSC Group is set out in the section V "Corporate Governance" of this report. Save as disclosed in this report, none of the Directors, Supervisors or their respective associates had any interests in the businesses which competed or were likely to compete with the Group, or had any other conflict of interests with the Group. The Company further confirms that, save as disclosed above, as at the date of this report, members of the Senior Management of the Company have not been involved in the daily operations of the businesses of CRSC Group which compete with the Group's businesses.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(XX) Directors', Supervisors' and the Company's Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 31 December 2024, none of the Directors, Supervisors or chief executives of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules of the Hong Kong Stock Exchange, to be notified to the Company and the Hong Kong Stock Exchange.

(XXI) Directors' and Supervisors' Rights to Purchase Shares or Debentures

None of the Directors or Supervisors or any of their respective associates was granted by the Company or its subsidiaries any right to purchase the shares or debentures of the Company or any other corporate body, or had exercised any such right.

(XXII) Financial, Business and Family Relationships among Directors, Supervisors and Senior Management Members

As at the date of this report, there were no financial, business or family relationships among the Directors, Supervisors and Senior Management members of the Company.

(XXIII) Directors' Insurance and the Permitted Indemnity Provisions

As at the date of this report, the Company maintained effective directors' insurance for the Directors of the Company, and all lawsuits, fees, charges, losses, damages, and expenses that may arise from the performance of their duties by the Directors of the Company shall be compensated from the assets and profits of the Company.

(XXIV) Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

The shareholdings of substantial shareholders in the Company are set out in the section VIII "Changes in Shares and Particulars of Shareholders – (VI) Interests and short positions of substantial shareholders in shares and underlying shares of the Company" of this report.

(XXV) Arrangements for Share Pre-Emptive Right and Share Option Scheme

In 2024, the Company did not have any share pre-emptive right and share option scheme, as there are no specific provisions under the PRC laws or the Articles of Associations of the Company regarding share pre-emptive right.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(XXVI) Public Float

As of the date of this report, according to the information publicly available to the Company, and to the knowledge of the Directors of the Company, the Company has sufficient public float to meet the minimum requirement for public float under Rule 8.08 of the Listing Rules of the Hong Kong Stock Exchange.

(XXVII) Connected Transactions

The connected transactions of the Company are set out in the section VII "Significant Events" of this report.

(XXVIII) Related Party Transactions

The Group entered into certain transactions with the relevant parties considered to be "related parties" pursuant to applicable accounting standards during the Reporting Period. Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in the note XII to the section XI "Financial Report" of this report. Save as those disclosed in this report, the related party transactions disclosed in the note XII to the section XI "Financial Report" of this report were either not considered to be connected transactions as defined by the Listing Rules of the Hong Kong Stock Exchange or were exempted from the reporting, announcement and shareholders' approval requirements pursuant to the Listing Rules of the Hong Kong Stock Exchange, of which the matters constituting connected transactions under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange complied with the disclosure requirements under Chapter 14A of the Listing Rules of the Hong Kong Stock Exchange.

(XXIX) Non-Exempt Connected Transactions

Save as those disclosed in this report, there were no other non-exempt connected transactions as defined by the Listing Rules of the Hong Kong Stock Exchange entered into by the Company with its connected persons during the Reporting Period.

(XXX) Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company has reviewed the annual results and the annual report of the Company for the year ended 31 December 2024 as well as the audited consolidated financial statements for the year ended 31 December 2024 of the Group.

(XXXI) Accounting Policies

Changes to the accounting policies of the Company are set out in the section VII "Significant Events" of this report.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(XXXII) Auditors

On 10 June 2022, the Company held the 2021 annual general meeting, at which the Resolution on Appointment of Auditor for 2022 was considered and approved, and decided to engage BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor of the annual financial statements of the Company for 2022.

On 9 June 2023, the Company held the 2022 Annual General Meeting and considered and passed the "Resolution on the Appointment of the Audit Institution for the Year 2023", deciding to re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the audit institution of the Company's financial statements for the year 2023.

On 13 June 2024, the Company held the 2023 annual general meeting, at which the Resolution on Appointment of Auditor for 2024 was considered and approved, and decided to engage BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor of the annual financial statements of the Company for 2024.

On 28 March 2025, the Board of Directors proposed to re-engage BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's external auditor for 2025, with a term of office commencing from the conclusion of the 2024 annual general meeting of the Company and ending at the conclusion of the 2025 annual general meeting of the Company. The above proposal is subject to the approval of the 2024 annual general meeting of the Company.

Save as disclosed above, there were no other changes in the auditors of the Company during the last three years, including the reporting period.

(XXXIII) Pension Schemes

Post-employment benefits

The post-employment benefit plans are classified into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions; defined benefit plans are post-employment benefit plans other than defined contribution plans. For defined contribution plans, the Group pays contributions to basic pension insurance, enterprise annuity and unemployment insurance for the employees during the Reporting Period, while defined benefit plans are mainly supplementary retirement benefits.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

1. *Basic pension insurance*

Pursuant to the relevant laws and regulations in the PRC, the Group has participated in basic pension insurance for the employees arranged by local labour and social security authorities.

The Group makes contributions to the pension insurance at the applicable rates based on the amounts stipulated by the local government organisations. The contributions are charged to the profit or loss on an accrual basis. When employees retire, the local labour and social security authorities are responsible for the payment of the basic pension benefits to the retired employees.

2. *Enterprise annuity*

In addition to these basic social pension plans, the employees of the Group joined in the Enterprise Annuity Plan of China Railway Signal & Communication Corporation Limited (the "**Annuity Plan**") established by the Group according to the state enterprise annuity system. The Group contributes to the Annuity Plan based on certain percentages of the employees' gross salaries, which are expensed in profit or loss when the contributions are made.

3. *Supplementary retirement benefits*

The Group pays supplementary retirement benefits for its employees in Mainland China who retired on or before 31 December 2012 in addition to the contributions made to statutory insurance plans. Such supplementary retirement benefits are defined benefit plans.

The Group's obligations in respect of supplementary retirement benefits are calculated by estimating the amount of obligations that the Group is committed to paying to the employees after their retirement using actuarial techniques.

At the end of the Reporting Period, such obligations are discounted with interest yield of government bonds with similar duration. The service cost and net interest from the supplementary retirement benefits are recognised in profit or loss, and the remeasurements are recognised in other comprehensive income.

Pursuant to the requirements of accounting standards, the Group carries out actuarial evaluation for its defined benefit plans and makes provision for liabilities. However, no planned asset has been established for the defined benefit plans, and there is no funding as at 31 December 2024.

(XXXIV) Equity-linked Agreements

The Company did not entered into any equity-linked agreements.

SECTION IV MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE DIRECTORS (CONTINUED)

(XXXV) Contingent Liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities.

(XXXVI) Material Acquisitions and Disposals of Assets, Subsidiaries, Associates and Joint Ventures

There were no other material acquisitions and disposals of assets, subsidiaries, associates and joint ventures during the Reporting Period.

(XXXVII) Future Plans for Significant Investments or Acquisition of Capital Assets

As at the date of this report, the Group has no other future plans for material investments or acquisition of capital assets.

(XXXVIII) Significant Investments

There were no significant investments made by the Group during the reporting period.

By order of the Board
China Railway Signal & Communication Corporation Limited
LOU Qiliang
Chairman

SECTION V CORPORATE GOVERNANCE

I. RELEVANT EXPLANATIONS ON CORPORATE GOVERNANCE

☒ Applicable ☐ Not applicable

During the Reporting Period, the Company strictly adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and earnestly implemented the *Several Opinions of the State Council on Strengthening Supervision, Preventing Risks, and Promoting the High-quality Development of the Capital Market*, along with the governance improvement requirements of the China Securities Regulatory Commission (CSRC) and SASAC. The Company continuously improved its corporate governance system, which features clearly defined powers and responsibilities, transparency and accountability, coordinated operations, and effective checks and balances. We formulated the Several Measures on Further Strengthening and Improving the Board of Directors of CRSC to expedite the development of a scientific, rational, and efficient board. The Company strictly complied with the laws and regulations including the Company Law, the Securities Law and the Code of Corporate Governance for Listed Companies, and the provisions of Shanghai Stock Exchange, The Stock Exchange of Hong Kong, and its Directors, Supervisors and senior management performed their duties diligently and faithfully in accordance with the laws and subsidiaries continuously enhanced the development of their Boards of Directors.

Whether there is any significant difference between corporate governance and laws, administrative regulations and relevant requirements of the CSRC on listed company governance; if there is a significant difference, the reasons shall be explained.

☐ Applicable ☒ Not applicable

The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") set out in Appendix C1 to the Listing Rules of the Hong Kong Stock Exchange as its corporate governance code. During the Reporting Period, save as provided in this section "VII. Board of Directors – 3. Chairman and President", the Company has complied with all applicable code provisions as set out in the Corporate Governance Code and, where applicable, adopted recommended best practices.

Whether there is any significant difference between corporate governance and laws, administrative regulations and relevant requirements of the CSRC on listed company governance; if there is a significant difference, the reasons shall be explained.

☐ Applicable ☒ Not applicable

II. EXPLANATION OF THE COMPANY ON LOSING INDEPENDENCE OR INDEPENDENT MANAGEMENT ABILITY WITH RESPECT TO BUSINESS, PERSONNEL, ASSETS, INSTITUTIONS, FINANCE, ETC. WITH ITS CONTROLLING SHAREHOLDERS

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

The controlling shareholders, actual controllers and other entities under their control are engaged in the same or similar business as the Company, as well as the impact of horizontal competition or major changes in horizontal competition on the Company, the resolution measures that have been taken, the progress of the resolution and the follow-up resolution plan

☐ Applicable ☒ Not applicable

The controlling shareholders, actual controllers and other entities under their control are engaged in horizontal competition that has a significant adverse impact on the Company

☐ Applicable ☒ Not applicable

III. BRIEF INTRODUCTION TO SHAREHOLDER'S GENERAL MEETINGS

Name of Meeting	Time of Meeting	Index of Website Designated for Publication of the Resolutions	Disclosure Date of the Publication of the Resolutions	Resolutions
2023 Annual General Meeting	13 June 2024	www.sse.com.cn www.hkexnews.hk	13 June 2024	<ol style="list-style-type: none"> 1. The resolution on <i>Report of the Board of Directors for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting; 2. The resolution on <i>Report of the Supervisory Committee for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting; 3. The resolution on Annual Report for 2023 of China Railway Signal & Communication Corporation Limited was considered and approved at the meeting; 4. The resolution on <i>Final Account Report for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting; 5. The resolution on <i>Profit Distribution Plan for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting; 6. The resolution on the appointment of auditors for 2024 was considered and approved at the meeting; 7. The resolution on remuneration of Directors and Supervisors of the Company for 2023 was considered and approved at the meeting; 8. The resolution on Amendments to the Working System for Independent Non-executive Directors was considered and passed; 9. The resolution on <i>General Authorization for the Issuance of Debt Financing Instruments</i> was considered and approved at the meeting.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Shareholders of preference shares with restored voting rights request convening extraordinary general meetings

☐ Applicable ☒ Not applicable

Explanation on the general meetings

☒ Applicable ☐ Not applicable

1. On 13 June 2024, the Company held the 2023 Annual General Meeting by way of on-site meeting. For details, please refer to the Announcement on the Poll Results of 2023 Annual General Meeting and Payment of Cash Dividend of China Railway Signal & Communication Corporation Limited dated 13 June 2024.

For other policies and arrangements relating to investor relations, please refer to the section in Section VI of the “Environmental, Social Responsibility and Other Corporate Governance – IV. Other Corporate Governance Conditions (II) Investor Relations and Protection” of the Company.

IV. SHAREHOLDER’S RIGHTS

To safeguard shareholders' interests and rights, the Company will propose a separate resolution for each substantially separate issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and poll results will be posted on the websites of the Company and the Hong Kong Stock Exchange after each general meeting.

Shareholders who intend to put forward their enquiries to the Board could send their enquiries to the Company's headquarters in the PRC (at 20/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, PRC) or by email to ir@crsc.cn. H shareholders may contact Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

1. Convening of extraordinary General Meeting on requisition by shareholders

According to the Articles of Association of the Company, where shareholders request to hold an extraordinary general meeting or class meeting, the following procedures shall be followed:

- i. Shareholders who individually or jointly hold 10% or more of the voting Shares at the proposed meeting may make a proposal to the Board on holding an extraordinary general meeting or class meeting by signing one or several written requests with same contents in the same format and define the meeting topic. The above shareholders shall guarantee that the contents of the proposal shall be in compliance with the laws, regulations and the Articles of Association of the Company. The Board shall convene such meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid number of shares shall be calculated as of the close of the date on which such Shareholders request to convene the meeting in writing or, if it falls on a non-trading date, the prior trading date on which such shareholders request to convene the meeting in writing;
- ii. If the Board is unable to or fails to perform its duty of convening an extraordinary general meeting or class meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner; if the Supervisory Committee cannot convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may independently convene and preside over such meeting.

2. Putting forward proposals at general meetings

According to the Articles of Association of the Company, in the event the Company convenes a general meeting, the Board, the Supervisory Committee and shareholders individually or jointly holding more than 3% of the Company's shares are entitled to submit proposals in writing to the Company. Shareholders individually or jointly holding more than 3% of the Company's shares may submit ad hoc proposals to the convener in writing ten days prior to the general meeting. The convener shall issue a supplementary notice of the general meeting and announce the content of such ad hoc proposals within two days after receipt thereof. Except as provided above, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposals subsequent to the issue of the notice of the general meeting. The general meeting shall not carry out the voting and adopt resolutions on the proposals that are not stated in the notice of the general meeting or fail to meet the requirements under Article 76 of the Articles of Association of the Company.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

3. Communication with shareholders and investors/investors relations

The Company considers effective communication with shareholders essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also fully recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions. General meetings of the Company provide a forum for face-to-face communication between the Board and the shareholders. The chairman of the Board as well as chairmen of the Nomination Committee, the Remuneration and Evaluation Committee and the Audit and Risk Management Committee or, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, are available to answer questions at general meetings.

To promote effective communication, the Company establishes its website and posts latest information and updates on the Company's business operations and developments, financial information, corporate governance practices and other data for public access. The Company has implemented the above shareholders communication policy and believed that it was adequate and effective.

V. IMPLEMENTATION AND CHANGES OF VOTING RIGHTS DIFFERENCE ARRANGEMENT DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

VI. CORPORATE GOVERNANCE OF RED-CHIP STRUCTURE

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

VII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

i. The changes in shareholding and remunerations of current and resigned Directors, Supervisors, Senior Management and core technicians during the Reporting Period

☒ Applicable ☐ Not applicable

Currency: RMB

Total Before-tax													
Name	Position	Gender	Age	Start Date of Term of Office	Termination Date of Term of Office	Shareholding at the Beginning of the Reporting Period		Shareholding at the End of the Reporting Period		Changes in Shareholding During the Reporting Period	Reason for Changes	Total Before-tax Remuneration Obtained from the Company During the Reporting Period (RMB'0'000)	Whether to Receive Any Remuneration from Any Related Party of the Company
						Period	Period	Period	Period				
LOU Qiliang	Executive Director	Male	61	October 2023	February 2025	-	-	-	-	-	-	56.70	No
	Chairman			February 2024	February 2025	-	-	-	-	-	-		
	President			September 2023	September 2024	-	-	-	-	-	-		
ZHANG Quan	Executive Director	Male	54	August 2022	February 2025	-	-	-	-	-	-	73.33	No
LUO Jing	Employee Director, Non-executive	Female	46	March 2025	-	-	-	-	-	-	-	95.88	No
	Director			January 2025	-	-	-	-	-	-	-		
Chairwoman of CRSC Research & Design Institute Group Co., Ltd. (CRSCD)													
YAO Guiqing	Independent Non-executive	Male	69	August 2018	February 2025	-	-	-	-	-	-	10.00	No
YAO Cho Fai Andrew	Director	Male	59	February 2022	February 2025	-	-	-	-	-	-	11.18	No
	Independent Non-executive			February 2022	February 2025	-	-	-	-	-	-		
FU Junyuan	Independent Non-executive	Male	63	February 2022	February 2025	-	-	-	-	-	-	8.00	No
KONG Ning	Director	Male	60	February 2020	February 2025	-	-	-	-	-	-	54.99	No
	Chairman of the Supervisory Committee			February 2020	February 2025	-	-	-	-	-	-		
LI Tianan	Shareholder Representative Supervisor	Female	55	February 2020	February 2025	-	-	-	-	-	-	0	No

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Total Before-tax														
Name	Position	Gender	Age	Start Date of Term of Office	Termination Date of Term of Office	Shareholding at the Beginning of the Reporting Period		Shareholding at the End of the Reporting Period		Changes in Shareholding During the Reporting Period		Reason for Changes	Remuneration Obtained from the Company During the Reporting Period (RMB'000)	Whether to Receive Any Remuneration from Any Related Party of the Company
						Period	Shareholding	Period	Shareholding	Period	Shareholding			
YANG Yang	Employee Representative Supervisor	Female	46	February 2022	February 2025	-	-	-	-	-	-	-	52.03	No
LI Lianqing	Chief Accountant	Male	56	June 2022	-	-	-	-	-	-	-	-	73.33	No
	July 2022			-	-	-	-	-	-	-	-	-	-	
	July 2022			-	-	-	-	-	-	-	-	-	-	
ZHANG Zhihui	Joint Company Secretary	Male	49	December 2018	-	-	-	-	-	-	-	-	73.33	No
	Chief Engineer			October 2016	-	-	-	-	-	-	-	-	-	
WAN Baohua	Vice President	Male	51	May 2022	-	-	-	-	-	-	-	-	73.33	No
	General Legal Adviser, Chief Compliance Officer			October 2022	-	-	-	-	-	-	-	-	57.68	No
ZHOU Zhiliang	Executive Director, Chairman (resigned)	Male	61	January 2012	January 2024	-	-	-	-	-	-	-	4.00	No
GUO Yonghong	Non-executive Director (resigned)	Male	61	March 2021	January 2024	-	-	-	-	-	-	-	0	No
ZHAO Xiaodong	Vice President (resigned)	Male	50	December 2018	March 2025	-	-	-	-	-	-	-	71.71	No
FU Gang	Director of the Safety Supervision and Management Department of China Railway Signal & Communication Corporation Limited	Male	44	July 2022	-	-	-	-	-	-	-	-	58.69	No
JIANG Ming	Deputy chief engineer of CRSC Research & Design Institute Group Co., Ltd. (CRSCD)	Male	47	February 2017	-	-	-	-	-	-	-	-	120.58	No
LIU Zhen	Deputy general manager, Chief engineer of the Basic Equipment Technology Research Institute of CRSC Research & Design Institute Group Co., Ltd. (CRSCD)	Male	44	June 2020	-	-	-	-	-	-	-	-	138.94	No

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Position	Gender	Age	Start Date of Term of Office	Termination Date of Term of Office	Shareholding at the Beginning of the Reporting Period	Shareholding at the End of the Reporting Period	Changes in Shareholding During the Reporting Period	Reason for Changes	Total Before-tax Remuneration Obtained from the Company During the Reporting Period (RMB'000)	Whether to Receive Any Remuneration from Any Related Party of the Company
DENG Hongyuan	Deputy general manager and chief engineer of CRSC Urban Rail Transit Technology Co., Ltd	Male	50	May 2018	-	-	-	-	-	91.13	No
JIANG Jianhua	Affiliated enterprise dedicated external director	Male	58	January 2011	-	-	-	-	-	136.09	No
CUI Ke	Chief engineer of the Research & Design Institute of CASCO Signal Ltd.	Male	54	January 2018	-	-	-	-	-	158.48	No
LI Hongyan	Product manager of the R&D Centre of CRSC Communication & Information Group Company Ltd.	Male	46	June 2020	-	-	-	-	-	28.78	No
WANG Xiangtao	Deputy general manager of Technology of CRSC Railway Vehicles Co., Ltd. Director and chief engineer of CRSC Railway Vehicles Co., Ltd.	Male	60	May 2015 August 2020	-	-	-	-	-	14.33	No
Total				/	-	/	/	/	/	<u>1,462.51</u>	/

SECTION V CORPORATE GOVERNANCE (CONTINUED)

1. "Total before-tax remuneration obtained from the Company during the Reporting Period" is the total before-tax remuneration obtained from the Company by the personnel in the table during their terms of office in 2024, excluding social insurance and annuities paid by the Company for individuals.
2. Mr. LOU Qiliang's total before-tax remuneration includes his regular remuneration from January to December 2024 and his remuneration paid during his term from October to December 2023.
3. From January 2024, Mr. ZHOU Zhiliang no longer served as executive Director and Chairman of the Company. The above remuneration and benefits represent the total amount for his tenure in January 2024.
4. From January 2024, Mr. GUO Yonghong no longer served as non-executive Director of the Company. Mr. GUO Yonghong does not receive remuneration or benefits from the Company.
5. From March 2025, Mr. ZHAO Xiaodong no longer served as vice president of the Company. The above remuneration and benefits represent the total amount for his tenure from January to December 2024.
6. Due to the difference in year, remuneration and statistical calibre for staff, the remunerations of persons in charge of the enterprises in the above table are inconsistent with those disclosed in the official website of the Company. Investors should pay attention to this.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
LOU Qiliang	<p>He has served as the executive Director since October 2023, and chairman since February 2024, and served as the president of the Company since September 2023 to September 2024. He has served as a director of China Railway Signal & Communication Co., Ltd. since September 2023, and as the chairman since January 2024. From September 2023 to September 2024, he served as the general manager of China Railway Signal & Communication (Group) Corporation Limited. Mr. LOU previously served as the deputy manager of CRRC Nanjing Puzhen Rolling Stock Plant, manager and deputy secretary of the party committee, executive director, general manager and deputy secretary of the party committee of Puzhen Company, standing committee member of the party committee of CRRC Group, and standing committee member of the party committee and vice president of CRRC Corporation Limited. From May 2015 to September 2019, he was a standing committee member of the party committee and vice president of CRRC Corporation Limited (stock code 601766.SH, 01766.HK). From September 2019 to October 2019, he served as the deputy secretary of the party committee of CRRC Group Co., Ltd. From October 2019 to December 2019, he served as the deputy secretary of the party committee and employee director of CRRC Group Co., Ltd., and the deputy secretary of the party committee of CRRC Corporation Limited. From December 2019 to July 2021, he served as the deputy secretary of the party committee and employee director of CRRC Group Co., Ltd., and the deputy secretary of the party committee and executive director of CRRC Corporation Limited. He successively served as the deputy secretary of the Party Committee, director and general manager of CRRC Group Co., Ltd., and the deputy secretary of the Party Committee and executive director of CRRC Corporation Limited from July 2021 to August 2021. From August 2021 to September 2023, he served as the deputy secretary of the party committee, director and general manager of CRRC Group Co., Ltd., and the deputy secretary of the party committee, executive director and president of CRRC Corporation Limited.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
ZHANG Quan	<p>He has been an executive Director of the Company since August 2022 and the deputy secretary of the Party committee and an employee representative director of China Railway Signal and Communication (Group) Corporation Limited since July 2022. He served as the deputy general manager of China Tower Corporation Limited (hereinafter referred to as "China Tower", listed on the Hong Kong Stock Exchange, stock code: 0788.HK) from January 2020 to July 2022; Party secretary and general manager of the Shandong Branch of China Tower from September 2016 to January 2020; and the general manager of the Shandong Branch of China Tower from August 2014 to September 2016. From February 2012 to August 2014, he served as the deputy general manager and a member of the Party committee of Yunnan Branch of China United Network Communications Corporation Limited. He served as general manager and Party secretary of Linyi Branch of China United Network Communications Corporation Limited (China Unicom merged with China Netcom) from November 2008 to February 2012. He successively served as director of the Network Operations and Maintenance Department of Shandong Branch and general manager and Party secretary of Linyi Branch of China Network Communications Group Corporation from June 2006 to November 2008. He successively served as the deputy director of the Planning and Construction Department and deputy general manager of the Radio Communication Department of Shandong Communications Company (山東省通信公司) from October 2002 to June 2006. He served as the deputy general manager, member of the Party committee and secretary of the discipline inspection commission of Weihai Branch of Shandong Telecommunications Company (山東省電信公司) from January 2001 to October 2002.</p>
LUO Jing	<p>She has served as the Employee Director and non-executive Director of the Company since March 2025, and Party Secretary and Chairman of CRSC Research & Design Institute Group Co., Ltd. since January 2025. From April 2020 to December 2024, she served as Party Secretary and Chairperson of CRSC Communication & Information Group Company Ltd. She was Chairman of CRSC Institute of Smart City Research & Design Co., Ltd. from April 2018 to April 2020, and Vice Chairman of the same from January 2016 to April 2018. From June 2013 to January 2016, she served as the deputy general manager and chief engineer of CRSC Information Industry Co., Ltd. From July 2009 to June 2013, she was an associate researcher of China Academy of Urban Planning & Design. From July 2007 to July 2009, she conducted post-doctoral research in the field of architecture at Tsinghua University and served as Assistant Researcher.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
YAO Guiqing	<p>He has served as an independent non-executive Director of the Company since August 2018. He served as a director of China General Technology Group Co., Ltd. (中國通用技術集團有限公司) from November 2018 to January 2025. He successively held several positions in China Railway from February 1990 to March 2018, including office director of the Party Committee, deputy secretary of the Party Committee of Jianchang Engineering Bureau, vice chairman of Major Bridge Engineering, vice chairman of China Railway Sixth Bureau, chairman of China Railway Ninth Bureau, and deputy secretary of the Party Committee, general manager and vice chairman of China Railway Engineering Corporation. From September 2007 to March 2018, Mr. YAO served in several positions in China Railway Group Ltd. (listed on the Hong Kong Stock Exchange, stock code: 0390; listed on the Shanghai Stock Exchange, stock code: 601390), including serving as its vice president, deputy secretary of the Party Committee, chairman of the labour union, chairman of the supervisory committee and vice chairman; and he served as its executive director from August 2010 to March 2018. From December 1971 to February 1990, Mr. YAO served as the head of the Organisational Department of the committee of the Communist Youth League of China and the secretary to the committee of the Communist Youth League of China in Engineering No.3 Bureau of the Ministry of Railway (中國鐵道部第三工程局).</p>
YAO Cho Fai Andrew	<p>He has been an independent non-executive Director of the Company since February 2022. He is currently the Chairman and chief executive officer of Hong Kong Shanghai Alliance Holdings Limited, as well as the member of the National People's Congress. Since 1994, he has served in several positions in Hong Kong Shanghai Alliance Holdings Limited (listed on the Hong Kong Stock Exchange, stock code: 1001), including serving as executive director, chief executive officer, and Chairman, as well as the chairman of the nomination committee, a member of the remuneration committee and director of some subsidiaries of Hong Kong Shanghai Alliance Holdings Limited. Since 2004, Mr. YAO has served as independent non-executive director of Kader Holdings Company Limited (listed on the Hong Kong Stock Exchange, stock code: 0180). He has served as director of China COSCO Shipping Corporation Limited. since May 2022. From 2015 to 2020, he served as independent non-executive director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (listed on the Hong Kong Stock Exchange, stock code: 1635; listed on the Shanghai Stock Exchange, stock code: 600635). Mr. Yao's public services include being a member of the 12th, 13th and 14th National People's Congress of Hong Kong, Chairman of Federation of Hong Kong-Shanghai Association, Chairman of the School Council of Lingnan University in Hong Kong, vice Chairman of the Chinese General Chamber of Commerce, and a member of the council of Fudan University.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
FU Junyuan	<p>He has been an independent non-executive Director of the Company since February 2022, and a director of China Information and Communication Technology Group Co., Ltd. since November 2021. Since March 2023, Mr. FU has served as the independent non-executive director of Seacon Shipping Group Holdings Ltd. (listed on the Hong Kong Stock Exchange, stock code: 2409) He served as a member of the Standing Committee of the Party Committee and chief accountant in China Poly Group Corporation Ltd. from August 2018 to September 2021. From September 1996 to September 2018, he served in several positions in China Communications Construction Group Corporation Limited, including serving as interim member of the Party committee and chief accountant in China Communications Construction Group Corporation Limited from December 2005 to August 2006. From August 2006 to November 2006, he served as interim member of the Party committee and director in China Communications Construction Group Corporation Limited, during which he served as executive director and chief accountant in China Communications Construction Company Limited. (listed on the Hong Kong Stock Exchange, stock code: 1800; listed on the Shanghai Stock Exchange, stock code: 601800) from September 2006 to August 2018. From October 1998 to December 2005, he served as chief accountant in China Harbour Engineering Company (Group), during which he served as deputy chief accountant in China Harbour Engineering Company (Group) from September 1997 to October 1998. Prior to that, Mr. FU worked for more than ten years in the Department of Finance of the Ministry of Transport and the CNAO's Transportation Audit Office.</p>
KONG Ning	<p>He has served as a Supervisor of the Company since February 2020 and chairman of the Supervisory Committee since March 2020. He was a vice president of the Company from July 2016 to November 2019 and a member of the Standing Committee of the Party Committee of the Company from December 2010 to November 2019. He served as the Company's chief accountant from December 2010 to July 2016 and is mainly in charge of the financial work. Mr. KONG served as a member of the Standing Committee of the Party Committee of CRSC Group from December 2010 to November 2019. He served as the chief accountant of CRSC Group from November 2004 to May 2015. He served as the accountant in the Finance Department of China Huanqiu Contracting & Engineering Co. Ltd. (中國寰球工程公司) and the head of finance department and the chief accountant of the HQCEC (HB) (華北規劃設計院) from August 2001 to November 2004. He served as deputy chief of Financial Department of Anhui Medicament Joint Venture Company (安徽省醫藥聯合經營公司) (renamed as Anhui Hua Shi Medicament Co., Ltd. (安徽華氏醫藥有限公司)) from April 1996 to August 2001.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
LI Tienan	<p>She served as a Supervisor of the Company from February 2020. Since December 2022, she has served as a director of Zhongxin Energy and Chemical Technology Company Limited (中新能化科技有限公司); since February 2022, she has served as the general manager and director of Guoxin Development Investment Management Company Limited (國新發展投資管理有限公司); since February 2022, she has been the general manager of the Market Coordination Department of China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司); since December 2021, she has been the deputy head of the preparatory group of Guoxin Asset Allocation Co., Ltd. (國新資產配置有限公司); from March 2021, she has served as a director in Zhongjin Gold Corp., Ltd. (中金黃金股份有限公司); since December 2020, she has served as the legal representative, executive director, and general manager in Guoxin Shengkang Private Equity Fund Management (Beijing) Co., Ltd. (國新盛康私募基金管理(北京)有限公司); from November 2020 to January 2025, she has served as the supervisor of China Green Development and Investment Group Co., Ltd. (中國綠發投資集團有限公司). She has been a director of China Northern Industry Co., Ltd. (中國北方工業有限公司) since October 2019; a supervisor of China Tower Corporation Limited (中國鐵塔股份有限公司) since July 2019, and a director of Guoxin Ronghui Equity Investment Fund Management Co., Ltd. (國新融匯股權投資基金管理有限公司) since March 2019. From September 2020 to November 2022, she served as the general legal adviser of China Reform Asset Management Co., Ltd. (中國國新資產管理有限公司). Ms. LI served as an external director in China Culture Development Corporation Ltd. (中國文化產業發展集團有限公司) from March 2019 to November 2021. She served as a director of China Aviation Supplies Co., Ltd. (中國航空器材有限責任公司) from July 2019 to April 2021. Ms. LI served as a general manager of the legal department of CNIC Corporation Limited (國新國際投資有限公司) from September 2014 to March 2019, during which she also served as a general manager of the Legal Department of CNIC Consulting Corporation Limited (國新國際投資諮詢有限公司) from February 2017 to March 2019. From June 2011 to July 2014, Ms. Li served as the deputy general manager of the Legal Department of China Reform Holdings Corporation Ltd., during which she also served as the deputy general manager of the Legal Department of CNIC Corporation Limited from January 2013 to September 2014. Ms. LI served as a deputy general manager of the Legal Department of China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) from June 2011 to July 2014, during which she also served as a deputy general manager of the Legal Department of CNIC Corporation Limited (國新國際投資有限公司) from January 2013 to September 2014. Ms. LI served as a deputy general manager of the Legal Department of China National Coal Group Corp. (中國中煤能源集團有限公司) from April 2011 to June 2011, a general legal counsel and a director of the Legal Department of China Coal & Coke Holdings Ltd. (中煤焦化控股有限責任公司) from August 2003 to April 2011, a contract director of the Legal Department of China National Coal Group Corp. (中國中煤能源集團有限公司) from December 2002 to August 2003, a lawyer of Jinde Law Firm from December 1999 to December 2002, and a staff of Pre-trial Division of Shenyang Public Security Bureau (瀋陽市公安局預審處) of Liaoning Province from August 1992 to December 1999.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
YANG Yang	<p>She has served as an employee representative supervisor of the Company since February 2022. From August 2022 to date, she served deputy general manager of CRSC Group Finance Limited (通號集團財務有限公司). She was the director of Guangdong Utrust Financial Leasing Co., Ltd. (廣東粵財金融租賃股份有限公司) from April 2020 to June 2023. From 2012 to July 2022, she has successively taken up several positions in China Railway Signal & Communication Corporation Limited. (中國鐵路通信信號股份有限公司), including accountant, finance director, director of Engineering Finance Department, deputy director of Audit Department (in charge of the work), and deputy director of risk management centre. From April 2012 to September 2012, she served as a finance manager in CRSC International Company Limited. (通號國際控股有限公司). From January 2000 to March 2012, she successively served as an accountant, an assistant accountant and the head of Financial Management Department in China Railway Signal & Communication Corporation (中國鐵路通信信號集團公司). From October 1998 to January 2000, she worked as a trainee in China Railway Signal & Communication Company (中國鐵路通信信號總公司).</p>
LI Lianqing	<p>He has served as a member of the Standing Committee of the Party Committee and chief accountant of the Company since June 2022, secretary to the Board and the joint company secretary of the Company since July 2022, and a member of the Standing Committee of the Party Committee of China Railway Signal and Communication (Group) Corporation Limited since May 2022. Mr. Li served as a member of the Party Committee and chief accountant of China Academy of Machinery Science and Technology Group Co., Ltd. (中國機械科學研究總院集團有限公司) from November 2017 to May 2022 and the chief accountant of Academy of Machinery Science and Technology (機械科學研究總院) from February 2017 to November 2017. From August 2012 to February 2017, he served as the group deputy chief accountant and director of the Strategic Development Department of China Iron & Steel Research Institute Group (中國鋼研科技集團公司). From September 2007 to August 2012, he served as the group deputy chief accountant and director of the Finance Department of China Iron & Steel Research Institute Group. From January 1999 to September 2007, he successively served as the deputy director of the Finance and Economics Department, the director of the Finance and Economics Department, the person in charge of finance, the director of the Planning and Finance Department, the chief financial officer, the assistant to the president, and a member of the Party Committee of Advanced Technology & Materials Co., Ltd. (安泰科技股份有限公司). From December 1998 to January 1999, he served as the deputy director of the Finance and Economics Department of Central Iron & Steel Research Institute of the Ministry of Metallurgy (冶金部鋼鐵研究總院). From September 1993 to December 1998, he served as an accountant of Beijing Metallurgical Steel Economic and Technological Development Corporation (Asset Evaluation Centre of the Ministry of Metallurgical Industry) (北京冶鋼經濟技術開發總公司(冶金工業部資產評估中心)). From July 1992 to September 1993, he successively served as assistant accountant and deputy director of the state-owned assets management office of Central Iron & Steel Research Institute of the Ministry of Metallurgical Industry (冶金工業部鋼鐵研究總院).</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
ZHANG Zhihui	<p>He has served as a vice president of the Company since January 2019 and served as a member of the Standing Committee of the Party Committee of the Company since December 2018. He has been a member of the Standing Committee of the Party Committee of China Railway Signal and Communication (Group) Corporation Limited since April 2022. Mr. ZHANG has been the chief engineer of the Company since October 2016. From November 2015 to October 2016, he served as the deputy chief engineer of the Company and the chief engineer of CRSCD. From March 2012 to November 2015, he served as the chief engineer and director of CRSCD. From June 2015 to November 2015, he also served as the dean of CRSCD Electrification Design Institute. From January 2005 to March 2012, he served as the director of CRSCD Signal Station.</p>
WAN Baohua	<p>He has served as a vice president of the Company since May 2022. He has been a member of the Standing Committee of the Party Committee of China Railway Signal and Communication (Group) Corporation Limited since April 2022. From August 2021 to date, he has served as the general manager of the Operation Business Department (Marketing Department, Engineering Department, International Cooperation Department, Traffic Readiness Office) of China Railway Signal & Communication Corporation Limited (during which: he studied in the training class of young cadres of the Party School of the Central Committee of C.P.C from September to December 2021). He served as the secretary of the party committee and chairman of the Board of directors of CRSC Engineering Group Company Ltd., the general manager of Tianjin Engineering Branch of China Railway Signal & Communication Corporation Limited (中國鐵路通信信號股份有限公司天津工程分公司), and the general manager of Beijing Engineering Branch of China Railway Signal & Communication Corporation Limited (中國鐵路通信信號股份有限公司北京工程分公司) from April 2020 to September 2021. He successively served as the deputy secretary of the party committee, director, general manager, secretary of the party committee and chairman of China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd. (during which: he participated in the special seminar on innovation and development of central enterprises at China Executive Leadership Academy Pudong in September 2017) from March 2016 to April 2020. He successively served as the deputy director of the Electrification Engineering Department of China Railway Signal & Communication Corporation Limited and the deputy general manager of CRSC (Zhengzhou) Electrification Bureau Co., Ltd. from October 2014 to March 2016. He served as a senior engineer of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. from August 2014 to October 2014. He successively served as the deputy general manager, a member of the party committee, senior engineer, vice chairman, general manager, deputy secretary of the party committee and executive director (legal representative) of China Railway 25th Bureau Group Corporation Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司) from July 2004 to August 2014. He successively served as assistant engineer, director and deputy manager of the Communication Technology Department of Guangzhou Railway Changsha Electric Engineering Company (廣州鐵路長沙電務工程公司) from July 1995 to July 2004.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
CHEN Shikui	<p>He currently served as the General Legal Adviser and Chief Compliance Officer of the Company. He served the employee representative supervisor of the Company from August 2018 to February 2022. Since July 2020, he has been the director of risk management centre of the Company. He has been the head of the Legal Compliance Department of the Company since July 2018. He has been a director of CRSC Construction Group Co., Ltd. (通號建設集團有限公司) since August 2016. He has served as the director of CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司) from February 2016 to October 2021. He has served as a supervisor of CRSC (Zhengzhou) Electrification Bureau Co., Ltd. (通號鄭州電氣化局有限公司) since May 2015. From November 2015 to July 2018, Mr. CHEN worked as the deputy head of the Legal Affairs Department of the Company. From January 2010 to November 2015, Mr. CHEN served in several positions in Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd., including deputy general counsel, head of legal archives of the enterprise development and Legal Affairs Department and head of enterprise development and Legal Affairs Department. From August 2013 to November 2015, he was an assistant in the Legal Affairs Department of the Company. From July 2007 to January 2010, he served as the assistant economist and economist of the eastern China Region Operation & Command Department of China Railway 22nd Bureau Group Co., Ltd. From May 1997 to July 2007, Mr. CHEN worked in the People's Court of Heze City, Shandong Province and the People's Court of Mudan District, Heze City, Shandong Province.</p>
ZHOU Zhiliang	<p>He has been an executive Director and Chairman of the Company from January 2012 to January 2024 and is mainly responsible for overseeing the overall work of the Board. He has been the secretary of the Party Committee of the Company since June 2017. He has served as the Chairman and the secretary of the Party Committee of China Railway Signal and Communication (Group) Corporation Limited since May 2017. From January 2012 to May 2017, he served as the general manager and the deputy secretary of the Party Committee of China Railway Signal and Communication (Group) Corporation Limited. Mr. ZHOU was a vice president and a member of the Standing Committee of the Party Committee of China Railway Construction Corporation Limited (listed on the Hong Kong Stock Exchange, stock code: 1186; listed on the SSE, stock code: 601186) from October 2007 to January 2012, during which Mr. ZHOU served as the chairman of China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司) from March 2011 to January 2012. From December 2004 to October 2007, Mr. ZHOU was a deputy general manager and a member of the Standing Committee of the Party Committee of China Railway Construction Corp. (中國鐵道建築總公司). From November 2001 to December 2004, Mr. ZHOU was the director and deputy secretary of the Party Committee of MOR No.4 Survey & Design Group Co., Ltd. From January 2000 to November 2001, Mr. ZHOU served as the chairman of labour Union of MOR No.4 Survey & Design Group Co., Ltd. (鐵道部第四勘察設計院). From November 1996 to January 2000, Mr. ZHOU served as the director at No.2 Railway Survey and Design Department (第二勘測設計處) of MOR No.4 Survey & Design Group Co., Ltd.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
GUO Yonghong	<p>He was a non-executive Director from March 2021 to January 2024. He served as special external director of China Reform Holdings Corporation Ltd. from August 2020 to December 2023. He was a director of Dongfeng Motor Corporation from December 2020 to December 2023, a director of China Automotive Technology and Research Centre Co. Ltd. from January 2021 to December 2023, and a director of China Electronic Technology Group Corporation (CETC) from August 2023 to December 2023. Mr. GUO Yonghong served as the secretary of the Party Committee, chairman, and general manager of China Mobile Tietong Company Limited from March 2018 to August 2020, during which he served as the chairman and general manager of China Tietong Telecommunications Corporation from May 2018 to August 2020. From November 2015 to March 2018, he served as the chairman, general manager and a member of the Party Committee of China Mobile Group Chongqing Co., Ltd., during which he served as the secretary of the Party Committee from January 2017, and concurrently served as an executive director (from February 2018) and the general manager of Chongqing Communication Services Company. From March 2008 to November 2015, he served as the Chairman, general manager and a member of the Party Leadership Group of China Mobile Group Hubei Co., Ltd., during which he served as the secretary of the Party Leadership Group from March 2010 and the general manager of Hubei Communication Services Company from July 2011 to November 2015. From February 2007 to March 2008, he served as a director and the chief executive officer (CEO) of CMPak Limited. From July 2006 to June 2007, he served as the chairman, secretary of the Party Leadership Group and general manager of China Mobile Group Guizhou Co., Ltd., and from November 2000 to July 2006, he served as a director (from July 2001), deputy general manager and a member of the Party Leadership Group of Hebei Mobile Communication Company.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
ZHAO Xiaodong	<p>He served as a vice president of the Company from January 2019 to March 2025. He has been a member of the Standing Committee of the Party Committee of the Company since December 2018 and a member of the Standing Committee of the Party Committee of China Railway Signal and Communication (Group) Corporation Limited since December 2018. He has also served as the chairman of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. (CRSCD), a wholly-owned subsidiary of the Company, since April 2019. From October 2016 to December 2018, he served as an assistant to the president of the Company. From September 2015 to October 2016, he served several positions in CRSCD, including serving as a general manager, as director and as deputy secretary of the Party Committee. From November 2014 to September 2015, he held the positions of the deputy general manager and director at CRSCD, who is mainly in charge of the overall work of operation management. From July 2013 to November 2014, he served several positions in CRSCD, including serving as deputy general manager, as the dean of the Ground Control Research and Design Institute, the general manager of the System Integration Centre and secretary of Party General Branch. From March 2012 to July 2013, he served as the dean of the Ground Control Research and Design Institute of CRSCD. From January 2011 to March 2012, he served as a director of CRSC Research & Design Institute Station, during which period, he also served as manager of Beijing Guotie Xintong Technology Development Co., Ltd. (北京國鐵信通科技發展有限公司).</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
FU Gang	<p>He has served as the Director of the Safety Supervision and Management Department of the Company since July 2022. He served the deputy secretary of the Party Committee and a director of Beijing CRSC Research & Design Institute Group Co., Ltd. (CRSCD), a wholly-owned subsidiary of the Company from April 2020 to July 2022. He has served as the deputy secretary of the Party Committee (responsible for the work of the Party Committee), a director and the deputy general manager of CRSCD from April 2020 to September 2021. From July 2018 to April 2020, he served as a director, the deputy general manager and chief engineer of CRSCD. From February 2017 to July 2018, he served as assistant to general manager of CRSCD. He served as the senior engineer of CRSCD from January 2017 to February 2017; as the secretary to the General Party Branch and dean of the Signal & Communication Design Institute of CRSCD from May 2016 to January 2017; as the dean of the Signal & Communication Design Institute and the secretary to the General Party Branch of the Signal & Communication Institute of CRSC Research & Design Institute Group Co., Ltd. from July 2015 to May 2016; as the dean of the Signal & Communication Design Institute and the secretary to the General Party Branch of the Signal & Communication Institute of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. from October 2014 to July 2015; and as engineer, deputy director and director of the Technology Management Centre, deputy dean, among other roles, of the Signal & Communication Design Institute of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. from March 2011 to October 2014.</p>
JIANG Ming	<p>He has served as deputy chief engineer of CRSC Research & Design Institute Group Co., Ltd., a wholly-owned subsidiary of the Company, since February 2017. Mr. JIANG served as chief engineer of Security Control Institute of CRSC Research & Design Institute Group Co., Ltd. from May 2016 to November 2018; as chief engineer of Research Institute of CRSC Research & Design Institute Group Co., Ltd. from July 2015 to May 2016; as chief engineer of Research Institute of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. from March 2012 to July 2015; he served as the dean of Research Institute of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. from December 2012 to October 2013; as engineer, senior engineer, chief engineer and among other roles of the R & D Centre of CRSC Research & Design Institute from August 2007 to March 2012.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
LIU Zhen	<p>He has been the deputy general manager of the Basic Equipment Technology Research Institute of CRSC Research & Design Institute Group Co., Ltd., a wholly-owned subsidiary of the Company, since August 2024. He served as the dean, chief engineer, director of the electronic equipment technology institute of the Basic Equipment Technology Research Institute of CRSC Research & Design Institute Group Co., Ltd. from June 2017 to August 2024; as the senior engineer of CRSC Research & Design Institute Group Co., Ltd. from January 2017 to June 2017; as the deputy director of the Hardware Research Institute of Security Control Institute of CRSC Research & Design Institute Group Co., Ltd. from May 2016 to January 2017; as the deputy director of the Hardware Research Institute of Research Institute of CRSC Research & Design Institute Group Co., Ltd. from January 2016 to May 2016 and as senior engineer of CRSC Research & Design Institute Group Co., Ltd. from December 2012 to January 2016.</p>
DENG Hongyuan	<p>Since May 2018, he has served as a the deputy general manager and chief engineer of CRSC Urban Rail Transit Technology Co., Ltd., a wholly-owned subsidiary of the Company. From May 2018 to October 2021, he served as a director of the Company's wholly-owned subsidiary, CRSC Urban Rail Transit Technology Co., Ltd. From January 2017 to May 2018, he served as the deputy general manager and chief engineer of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. From April 2016 to January 2017, he served as the deputy chief engineer of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd., during which he also served as the deputy general manager and chief engineer of Beijing Urban Transit Technology Co., Ltd. (北京通號國鐵城市軌道技術有限公司). From October 2014 to January 2015, he was the director of the Integration Centre of Beijing National Railway Research & Design Institute of Signal & Communication Co., Ltd. He served successively as the deputy chief engineer, the chief engineer, the deputy branch dean, and the dean of the City Traffic Branch of Beijing National Railway Research & Design Institute of Signal & Communication (北京全路通信信號研究設計院城交分院) from September 2007 to December 2014, during which he also served as deputy general manager and deputy director of the Integration Centre.</p>
JIANG Jianhua	<p>Since July 2024, he has been a dedicated external director of the Company's affiliated enterprises. From January 2011 to July 2024, he has served as the vice president of technology of the R&D Centre of CASCO Signal Ltd., a subsidiary controlled by the Company. Since August 2019, he has served as a provisional member of the Party Committee of CASCO Signal Ltd. Since August 2015, he has served as the vice president of technology of the Research & Design Institute of CASCO Signal Ltd. (卡斯柯信號有限公司研究設計院). From July 1998 to January 2011, he served successively as the deputy chief engineer and the chief engineer of CASCO Signal Ltd. From July 1988 to July 1998, he served successively as a software engineer, the deputy department manager and the department manager of the software department of CASCO Signal Ltd.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
CUI Ke	<p>Since January 2018, he has served as the chief engineer of the Research & Design Institute of CASCO Signal Ltd., a subsidiary controlled by the Company. From January 2014 to December 2017, he served as the urban rail product director of Urban Rail System Development Department of CASCO Signal Ltd.; from August 2010 to December 2013, he served as the urban rail technical director of R&D Department of CASCO Signal Ltd.; and from August 2000 to July 2010, he served as the department manager of the R&D Department of CASCO Signal Ltd.</p>
LI Hongyan	<p>Since June 2020, he has served as the product manager of R&D Centre of CRSC Communication & Information Group Company Ltd., a wholly-owned subsidiary of the Company. From April 2017 to June 2020, he has been the chief engineer of Security Technology Branch of CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司安防技術分公司). From July 2015 to April 2017, he served as the chief engineer of Beijing Research Institute of CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司北京研究院). From January 2014 to July 2015, he served as the deputy chief engineer of CRSC Communication & Information Group Company Ltd. From September 2013 to July 2015, he served as the dean of Beijing Research Institute of CRSC Communication & Information Group Company Ltd. From January 2010 to September 2013, he served successively as the deputy manager and manager of the Technology Development Research Department of Beijing Guotie Huachen Communication Technology Co., Ltd. (北京國鐵華晨通信技術有限公司). From June 2006 to January 2010, he served successively as an engineer of the Engineering Technology Department (工程技術部) and the manager of Research & Development Department (研究開發部) of Beijing Nera Stentofon Communication Equipment Co., Ltd.</p>

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Major Working Experience
WANG Xiangtao	Since August 2020, he has served as a director, the deputy general manager and chief engineer of CRSC Railway Vehicles Co., Ltd. Since May 2015, he has served as the deputy general manager of technology of CRSC Railway Vehicles Co., Ltd. From November 2016 to December 2020, Mr. WANG has been a director of CRSC Airbus Co., Ltd., a subsidiary invested by the Company. From May 2011 to April 2015, he served as the deputy general manager of technology of Xiangtan Electric Urban Rail Vehicle Co., Ltd. (湘電城軌車輛有限公司). From May 2009 to May 2011, he served as the deputy general manager of technology of Xiangtan Electric Urban Rail Equipment Co., Ltd. (湘電城軌裝備有限公司). From August 2007 to May 2011, he served as the institute director of the Vehicle Research Institute of Xiangtan Electric Heavy Equipment Co., Ltd. (湘電重型裝備有限公司車輛研究所), and as a supervisor of the same company. From June 2001 to August 2007, he served as the institute director of the Vehicle Research Institute of Xiangtan Electric Co., Ltd. From July 1985 to June 2001, he served as an engineer of the Technical Centre of Xiangtan Electric Plant (湘潭電機廠技術中心).

The Company has adopted a code of conduct no less exacting than that as provided in the Model Code as the code of conduct for all the Directors and Supervisors trading securities of the Company (the “**Code of Conduct**”). All the Directors and Supervisors of the Company have confirmed that they have complied with the standards as stipulated by the code of conduct for the year ended 31 December 2024.

Other explanations

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

ii. Positions held by current and resigned Directors, Supervisors and Senior Management during the Reporting Period

1. Positions held in shareholder entities

☒ Applicable ☐ Not applicable

Name	Name of Shareholder Entity	Position Held in the Shareholder Entity	Start Date of Term of Office	Termination Date of Term of Office
LOU Qiliang	China Railway Signal and Communication (Group) Corporation Limited	Secretary of the Party Committee and Chairman	February 2024	–
		Director	September 2023	–
		General Manager	September 2023	September 2024
ZHANG Quan	China Railway Signal and Communication (Group) Corporation Limited	Deputy secretary of the Party Committee and employee representative director	July 2022	–
LI Lianqing	China Railway Signal and Communication (Group) Corporation Limited	A member of the Standing Committee of the Party Committee	May 2022	–
ZHANG Zhihui	China Railway Signal and Communication (Group) Corporation Limited	A member of the Standing Committee of the Party Committee	April 2022	–
WAN Baohua	China Railway Signal and Communication (Group) Corporation Limited	A member of the Standing Committee of the Party Committee	April 2022	–
ZHAO Xiaodong (resigned)	China Railway Signal and Communication (Group) Corporation Limited	A member of the Standing Committee of the Party Committee	December 2018	February 2025
Explanation on positions held in Shareholder entities	None			

SECTION V CORPORATE GOVERNANCE (CONTINUED)

2. Positions held in other entities

☒ Applicable ☐ Not applicable

Name	Name of Other Entities	Positions Held in Other Entities	Start Date of Term of Office	Termination Date of Term of Office
YAO Guiqing	China General Technology Group Co., Ltd. (中國通用技術集團有限公司)	Director	November 2018	January 2025
YAO Cho Fai Andrew	Hong Kong Shanghai Alliance Holdings Limited (滙港聯合控股有限公司)	Chairman and chief executive officer	July 1999	–
	Kader Holdings Company Limited (開達集團有限公司)	Independent Non-executive Director	September 2004	
	China COSCO Shipping Corporation Limited	Director	May 2022	–
FU Junyuan	China Information and Communication Technology Group Co., Ltd.	Director	November 2021	October 2027
	Seacon Shipping Group Holdings Limited	Independent Non-executive Director	March 2023	–
LI Tienan	China Green Development and Investment Group Co., Ltd. (中國綠發投資集團有限公司)	Supervisor	November 2020	January 2025
	China Northern Industry Co., Ltd. (中國北方工業有限公司)	Director	October 2019	–
	China Tower Corporation Limited (中國鐵塔股份有限公司)	Supervisor	July 2019	–
	Guoxin Ronghui Equity Investment Fund Management Co., Ltd. (國新融匯股權投資基金管理有限公司)	Director	March 2019	–
	Zhongjin Gold Corp., Ltd. (中金黃金股份有限公司)	Director	March 2021	–

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Name	Name of Other Entities	Positions Held in Other Entities	Start Date of Term of Office	Termination Date of Term of Office
	Guoxin Shengkang Private Equity Fund Management (Beijing) Co., Ltd. (國新盛康私募基金管理(北京)有限公司)	Legal representative, executive Director and general manager	December 2020	–
	Zhongxin Energy and Chemical Technology Company Limited (中新能化科技有限公司)	Director	December 2022	–
	Guoxin Development Investment Management Company Limited (國新發展投資管理有限公司)	General manager and Director	February 2022	–
	China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司)	General manager of Market Coordination Department	February 2022	–
GUO Yonghong (resigned)	China Information and Communication Technology Group Co., Ltd.	Director	November 2024	–
Explanation on positions held in other entities		None		

SECTION V CORPORATE GOVERNANCE (CONTINUED)

iii. Remuneration of Directors, Supervisors, Senior Management and core technical personnel

☒ Applicable ☐ Not applicable

Unit: 0'000 Yuan Currency: RMB

The decision-making procedure for the remunerations of Directors, Supervisors and senior management	The Remuneration and Evaluation Committee of the Board makes recommendations to the Board on the remunerations of Directors and Senior Management of the Company. The Board shall make decision on remuneration and awards for senior management, and the general meetings shall make decision on remuneration matters for Directors and Supervisors.
Whether a director shall abstain from voting when the Board discusses the remuneration matters concerning the director.	No
The recommendations made by Remuneration and Evaluation Committee or a special meeting of the Independent Directors on the remuneration matters concerning Directors, Supervisors and Senior Management.	The recommendations made to the Board by Remuneration and Evaluation Committee of the Board on the remunerations of Directors and Senior Management of the Company.
The basis for determining remunerations of Directors, Supervisors and senior management	The remunerations of the Company's Directors, Supervisors and senior management are determined in accordance with the <i>Articles of Association of China Railway Signal & Communication Corporation Limited</i> and relevant rules.
Actual payment of remunerations of Directors, Supervisors and Senior Management	Ms. LI Tienan did not receive remunerations from the Company. The remuneration of other Directors, Supervisors and senior management shall be paid by the Company in accordance with relevant rules.
Total actual remunerations received by all Directors, Supervisors and senior management at the end of the Reporting Period	619.61
Total actual remunerations received by core technical personnel at the end of the Reporting Period	842.91

SECTION V CORPORATE GOVERNANCE (CONTINUED)

iv. The changes in the Company's Directors, Supervisors, Senior Management and core technical personnel

☒ Applicable ☐ Not applicable

Name	Position Held	Changes	Reason of Changes
LOU Qiliang	Chairman, Executive Director	Election	Election
	President	Resignation	Adjustment of Job Responsibilities
ZHOU Zhiliang	Chairman, Executive Director	Resignation	Retirement
GUO Yonghong	Non-executive Directors	Resignation	Work Arrangement
LUO Jing	Employee Director and non-executive Director	Election	Election
ZHAO Xiaodong	Vice President	Resignation	Job change

v. Explanation on penalties imposed by securities regulatory authorities in the recent three years

☐ Applicable ☒ Not applicable

vi. Others

☐ Applicable ☒ Not applicable

VIII. BOARD OF DIRECTORS

1. Composition of the Board

As at the end of the Reporting Period, the Board of Directors comprised Mr. Lou Qiliang and Mr. Zhang Quan as executive directors, and Mr. Yao Guiqing, Mr. Yao Cho Fai Andrew and Mr. Fu Junyuan as independent non-executive directors.

On 18 January 2024, Mr. ZHOU Zhiliang tendered his resignation as the chairman of the Board, an executive Director, the chairman of the Strategy and Investment Committee of the Board and the chairman of the Nomination Committee of the Board due to reaching the statutory retirement age. On the same day, Mr. GUO Yonghong tendered his resignation as a non-executive Director, a member of the Audit and Risk Management Committee of the Board and a member of the Quality and Safety Committee of the Board due to job reassignment. All these resignations took effect on 18 January 2024.

On 21 February 2024, the Board resolved to elect Mr. LOU Qiliang as the chairman of the fourth session of the Board of the Company. On the same day, the Board resolved to appoint Mr. LOU as the chairman of the Strategy and Investment Committee of the Board, Mr. YAO Guiqing as the chairman of the Nomination Committee of the Board, and Mr. ZHANG Quan as a member of the Nomination Committee of the Board.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

On 14 March 2025, the Company's employee representative meeting elected Ms. Luo Jing as the employee director and non-executive Director of the Company's fourth board of directors. Ms. Luo Jing has obtained the legal opinion referred to in Rule 3.09D of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange on 14 March 2025 and confirmed that she understands her responsibilities as a director of the Company.

The Directors shall hold office for a term of three years each from the date of their appointment until the expiry of that session of Board. For details of the term of office of the Directors of the Company, please refer to the Corporate Governance chapter of this report.

As at the date of this report, the number of members and composition of the Strategy and Investment Committee of the Board, the Audit and Risk Management Committee of the Board and the Quality and Safety Committee of the Board are temporarily incompliant with the provisions of the relevant working rules of the Board committees. The Audit and Risk Management Committee of the Board currently includes two independent non-executive Directors, which does not comply with the requirement of Article 3.21 of the Listing Rules of the Hong Kong Stock Exchange that the audit committee shall have at least three members. To comply with the Listing Rules of the Hong Kong Stock Exchange and the working rules of the relevant special committees under the Board, the Company will use its best endeavours to appoint suitable candidates as soon as possible.

There is no relationship (including financial, business, family or other material/relevant relationship(s)) among the members of the Board. Biographies of the Directors are set out in "VII. Directors, Supervisors and Senior Management" of this section.

2. Independent non-executive Directors

For the year ended 31 December 2024, the Board had complied with the requirements of the Listing Rules of the Hong Kong Stock Exchange relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has appointed a sufficient number of independent non-executive Directors in compliance with Rule 3.10A of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange which requires the number of independent non-executive Directors represents at least one third of the Board.

All independent non-executive Directors have confirmed their independence pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules of the Hong Kong Stock Exchange.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

3. Chairman of the Board and president

According to Code Provision C.2.1 set out in the Corporate Governance Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

Mr Lou Qiliang was appointed as the president of the Company by the Board of Directors on 15 September 2023 and was elected by the Board of Directors as the chairman of the fourth session of the Board of Directors of the Company on 21 February 2024. On 13 September 2024, Mr. Lou Qiliang resigned from his position as president of the Company due to work adjustments, and the position of president of the Company became vacant, which deviates from Code Provision C.2.1 of Corporate Governance Code. The Board believes that Mr. Lou Qiliang, by continuing to serve as an executive Director and the chairman of the Board, will continue to provide valuable contributions to the overall strategic planning of the Company. The current composition of the Board of Directors (comprising two executive directors, one non-executive director and three independent non-executive directors) has the appropriate capabilities and experience to formulate the Company's development plans and major policies. There are also checks and balances in place to provide sufficient control to protect the interests of the Company and its shareholders. The Board will continue to review the current structure and the need to appoint suitable candidates to perform the duties of the president. If necessary, the Company will make an appointment to fill the position in accordance with Code Provision C.2.1 of Corporate Governance Code.

4. Nomination, appointment and removal of Directors

The procedures and processes for appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the structure, number of members and composition of the Board, advising on any proposed changes to the Board in response to the Company's strategies, and reviewing the independence of the independent non-executive Directors.

5. Duties of the Board

The Board shall be accountable to the general meeting. According to the requirement of the Articles of Association, duties of the Board shall include the exercise of the following functions and powers:

- (1) to convene general meetings and to report on its work to the general meeting;
- (2) to implement the resolutions of the general meeting;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the profit distribution plans and plans for making up losses of the Company;
- (6) to formulate plans for the increase or reduction of the registered capital of the Company;
- (7) to formulate plans for the issuance of corporate bonds, any class of Shares, warrants and other similar securities;

SECTION V CORPORATE GOVERNANCE (CONTINUED)

- (8) to formulate plans for significant acquisition by the Company, repurchase of Shares of the Company or merger, division, reorganisation or dissolution of the Company and changes in the corporate form of the Company;
- (9) to decide on the provision by the Company of any external guarantee other than those to be approved by the general meeting as required by the Articles of Association;
- (10) to decide on significant acquisition or disposal within one year by the Company of assets not more than 30% of the latest audited total assets of the Company;
- (11) to decide on connected transactions other than those to be approved by the general meeting as required by laws and regulations and regulatory rules in the place where Shares of the Company are listed;
- (12) to decide on significant investment projects of the Company with the single amount not more than 30% of the latest audited net assets of the Company;
- (13) to decide on entrusted wealth management and asset mortgages or pledges with the accumulated amount not more than 30% of the latest audited net assets of the Company;
- (14) to decide on extra costs and expenses with the single amount not more than 10% of the latest audited net assets of the Company;
- (15) to decide on plans of external donation and sponsorship of the Company with the single amount not more than RMB5 million;
- (16) to formulate amendments to the Articles of Association, the Rules of Procedure for the general meeting and the Rules of Procedure for the Board;
- (17) to engage or dismiss the Company's president and secretary to the Board; to engage or dismiss vice presidents and the chief accountant of the Company, as proposed by the president, and decide on matters relating to their remuneration, rewards and punishments;
- (18) to decide on the establishment of the Company's internal management organisation;
- (19) to decide on the establishment of each special committee under the Board and to consider and approve resolutions proposed by each special committee under the Board;
- (20) to formulate the basic management systems of the Company;
- (21) to formulate development strategies, long and medium-term development plans and corporate culture development plans, and to monitor the implementation of such plans;
- (22) to decide on the Company's risk management system, including risk evaluation, financial control, internal audit and legal risk control, and to monitor the implementation of such systems;

SECTION V CORPORATE GOVERNANCE (CONTINUED)

- (23) to propose to the general meeting the appointment, removal or termination of reappointment of an accounting firm;
- (24) to listen to the work reports of the Company's president and inspect the work of the president and other Senior Management members;
- (25) to perform duties of corporate governance and to evaluate and improve the corporate governance of the Company regularly in accordance with the regulatory rules in the place where Shares of the Company are listed;
- (26) to formulate equity incentive scheme;
- (27) to manage the Company's information disclosure matters; and
- (28) other duties and powers provided in laws and regulations, regulatory rules in the place where Shares of the Company are listed or specified in the Articles of Association or granted by the general meeting.

Resolutions by the Board on the matters mentioned above shall, be passed by the affirmative vote of more than one half of all the Directors with the exception of resolutions on the matters referred to in items (6), (7), (8), (16) and (26), which shall require the affirmative vote of at least two-thirds of all the Directors for adoption. Besides the affirmative vote of more than one half of all the Directors, the affirmative vote of at least two-thirds of all the Directors present is also required when the matters referred to in item (9) are considered by the Board. The abovementioned duties and powers of the Board as well as any transaction or arrangement of the Company shall be proposed at the general meeting for approval as prescribed by the regulatory rules in the place where Shares of the Company are listed.

The duties and powers of the Board and the management have been defined in the Articles of Association. The Board is responsible for decision making on the Company's significant matters, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary, with a view to ensuring that Rules of Procedure for Board meetings and all applicable laws, rules and regulations are followed. Upon making request to the Board, a Director is generally able to seek independent professional advice in appropriate circumstances at the Company's expense.

In strict accordance with the Articles of Association and the authorisation of general meetings, the Board takes and fulfils its decision-making responsibilities seriously, supervises management's implementation of the resolutions of the Board to ensure their effective implementation, and implements the resolutions of the general meetings and reports the work to general meetings.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

The day-to-day management, administration and operation of the Company are delegated to the president and the Senior Management. The Board shall be responsible for the fulfilment of the following corporate governance responsibilities:

- (1) to formulate, review and make recommendations on the corporate governance policies and practices of the Company;
- (2) to review and monitor the training and continuous professional development of Directors and Senior Management;
- (3) to review and monitor the Company's policies and practices with regard to complying with laws and regulatory requirements;
- (4) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (5) to review the Company's compliance with the Corporate Governance Code and disclosures made in the *Corporate Governance Report* (the Corporate Governance section of this report) of the annual report of the Company.

The Board and the Audit and Risk Management Committee have reviewed and approved the disclosures made in the Corporate Governance Report (the Corporate Governance section of this report). The Board has also reviewed the Company's compliance with the corporate governance policies, practices, laws and regulatory requirements, and monitored and organised the training courses designed for Directors and Senior Management.

6. Mechanism for directors to obtain independent views and opinions

The Company has a mechanism in place to ensure that independent views and opinions are available to the Board, including but not limited to reviewing from time to time that independent non-executive Directors have appropriate qualifications and professional skills and have committed sufficient time to the Group, and that the number of independent non-executive Directors has complied with the Listing of Securities on the Hong Kong Stock Exchange, and has established channels (including but not limited to questionnaires or the Board meetings) to evaluate the contributions and opinions of independent non-executive Directors. The Board has reviewed the implementation and effectiveness of the mechanism and believes that the Board is highly independent.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

IX. DETAILS OF THE BOARD MEETINGS CONVENED DURING THE REPORTING PERIOD

Meeting Session	Date of Convening	Meeting Resolutions
The 18th Meeting of the Fourth Session of the Board	26 January 2024	<ol style="list-style-type: none"> 1. The resolution on the <i>Scheme of Main Economic Indicators for 2024</i> was considered and approved at the meeting 2. The resolution on the optimisation and adjustment of the headquarters organisational structure was considered and approved at the meeting
The 19th Meeting of the Fourth Session of the Board	21 February 2024	<ol style="list-style-type: none"> 1. The resolution on the election of the Chairman of the Board was considered and approved at the meeting 2. The resolution on the election of members of the special committees of the Board was considered and approved at the meeting
The 20th Meeting of the Fourth Session of the Board	26 March 2024	<ol style="list-style-type: none"> 1. The resolution on the <i>2023 Annual Report of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 2. The resolution on the <i>2023 Financial Final Accounts Report of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 3. The resolution on the <i>2023 Profit Distribution Plan of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 4. The resolution on the payment of audit fees for 2023 and the plan of appointment of external auditor for 2024 was considered and approved at the meeting 5. The resolution on the issuance of continuous risk assessment report to CRSC Group Finance Limited by China Railway Signal & Communication Corporation Limited was considered and approved at the meeting 6. The resolution on the general mandate to issue debt financing instruments was considered and approved at the meeting 7. The resolution on the Special Report on Deposit and Use of Proceeds for 2023 was considered and approved at the meeting 8. The resolution on the <i>Report on Internal Control Evaluation for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Meeting Session	Date of Convening	Meeting Resolutions
		<ol style="list-style-type: none"> 9. The resolution on the <i>2023 Environmental, Social and Governance Report for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 10. The resolution on the <i>Report of the Board for 2023 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 11. The resolution on the remuneration/evaluation of directors and senior management of the Company for 2023 was considered and approved at the meeting 12. The resolution on the <i>Revision of the Working System for Independent Non-executive Directors</i> was considered and approved at the meeting 13. The resolution on the <i>Revision of the Rules of Procedure of the Audit and Risk Management Committee</i> was considered and approved at the meeting 14. The resolution on the <i>Revision of the Rules of Procedure of the Nomination Committee</i> was considered and approved at the meeting 15. The resolution on the <i>Revision of the Rules of Procedure of the Remuneration and Assessment Committee</i> was considered and approved at the meeting 16. The resolution on the <i>Action Plan of CRSC for "Improving Quality, Enhancing Efficiency, and Focusing on Returns"</i> was considered and approved at the meeting 17. The resolution on proposing to convene a general meeting was considered and approved at the meeting was considered and approved at the meeting 18. The <i>Evaluation Report of China Railway Signal & Communication Corporation Limited on the Performance of the Accounting Firm</i> was heard at the meeting 19. The <i>Report of the Audit and Risk Management Committee on the Supervision of the Performance of the Accounting Firm</i> was heard at the meeting 20. The <i>Special Report of the Board of Directors on the Self-assessment of the Independence of the Independent Non-executive Directors</i> was heard at the meeting

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Meeting Session	Date of Convening	Meeting Resolutions
The 21st Meeting of the Fourth Session of the Board	21 April 2024	1. The resolution on the mid-term adjustments to the <i>"14th Five-Year" Development Plan of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting
The 22nd Meeting of the Fourth Session of the Board	25 April 2024	1. The resolution on the <i>First Quarter Report for 2024 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting
The 23rd Meeting of the Fourth Session of the Board	31 July 2024	<ol style="list-style-type: none"> 1. The resolution on <i>Utilising Unused Raised Funds for Cash Management</i> was considered and approved at the meeting 2. The resolution on the issuance of perpetual bonds was considered and approved at the meeting
The 24th Meeting of the Fourth Session of the Board	28 August 2024	<ol style="list-style-type: none"> 1. The resolution on the <i>Interim Report for 2024 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 2. The resolution on the <i>Special Report on the Deposit and Actual Use of the Proceeds for the First Half of 2024</i> was considered and approved at the meeting 3. The resolution on the issuance of continuous risk assessment report to CRSC Group Finance Limited by China Railway Signal & Communication Corporation Limited was considered and approved at the meeting 4. The resolution on the <i>Semi-annual Evaluation Report on Action Plan of CRSC for "Improving Quality, Enhancing Efficiency, and Focusing on Returns"</i> was considered and approved at the meeting

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Meeting Session	Date of Convening	Meeting Resolutions
The 25th Meeting of the Fourth Session of the Board	25 October 2024	<ol style="list-style-type: none"> 1. The resolution on the <i>Third Quarter Report for 2024 of China Railway Signal & Communication Corporation Limited</i> was considered and approved at the meeting 2. The resolution on the external guarantee plan for 2025 of China Railway Signal & Communication Corporation Limited was considered and approved at the meeting 3. The resolution on the revision of the Administrative Measures for Project Investment Review was considered and approved at the meeting 4. The resolution on the revision of the <i>Administrative Measures for Equity Investment</i> was considered and approved at the meeting 5. The resolution on the revision of the <i>Administrative Measures for Fixed Asset Investment</i> was considered and approved at the meeting 6. The resolution on the revision of the <i>Administrative Measures for Overseas Investment</i> was considered and approved at the meeting 7. The resolution on the revision of the <i>Administrative Measures for Operational Investment</i> was considered and approved at the meeting 8. The resolution on the revision of the <i>Administrative Measures for Construction and Operation of Operational Investment Projects</i> was considered and approved at the meeting 9. The resolution on the revision of the <i>List of Board-authorised Decision-making Matters</i> was considered and approved at the meeting

SECTION V CORPORATE GOVERNANCE (CONTINUED)

X. PERFORMANCE OF DUTIES OF DIRECTORS

i. Directors' attendance at the Board meetings and general meetings

Attendance at the Board meeting								Attendance at the general meetings
Name of Director	Independent non-executive director or not	Number of required attendances at the Board meeting during the Reporting Period	Number of attendances in person	Number of attendances by means of telecommunications	Number of attendances by proxy	Number of absences	Failure to attend meetings in person for two consecutive times	Number of attendances at the general meetings
LOU Qiliang	No	8	7	4	1	0	No	1
ZHANG Quan	No	8	8	3	0	0	No	1
YAO Guiqing	Yes	8	8	3	0	0	No	1
YAO Cho Fai Andrew	Yes	8	8	5	0	0	No	1
FU Junyuan	Yes	8	8	3	0	0	No	1
ZHOU Zhiliang (resigned)	No	0	–	–	–	–	–	–
GUO Yonghong (resigned)	No	0	–	–	–	–	–	–

The explanation of failure to attend Board meetings in person for two consecutive times

☐ Applicable ☒ Not applicable

Number of the Board meetings held for the year	8
Including: number of meetings held onsite	3
Number of meetings held by means of telecommunications	3
Number of meetings held onsite and by means of telecommunications simultaneously	2

ii. Objections raised by Directors against relevant matters of the Company

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

iii. Other

☒ Applicable ☐ Not applicable

During the Reporting Period, the Board focused on the continuous professional development of Directors and actively encouraged and organised Directors to participate in the trainings. In order to keep their knowledge and skills up to date as well as improve their capacities of duty performance, all members of the Board of Directors continued to learn all kinds of regulatory information and the latest regulatory requirements in their daily duties, including relevant laws and regulations and regulatory documents in relation to corporate governance and Listing Rules, meanwhile they read industry, professional books and publications. During the Reporting Period, all Directors (including Mr. LOU Qiliang, Mr. ZHANG Quan, Mr. Yao Guiqing, Mr. YAO Cho Fai Andrew and Mr. FU Junyuan) attended the seminar on the construction of the board of directors of central enterprises and various important conferences held by the State-owned Assets Supervision and Administration Commission of the State Council, the training on regulatory services organised by the Listed Companies Association of Beijing, compliance training on the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange provided by the Company's Hong Kong legal advisers and the relevant training organised by the SSE, etc. All Directors further understood the regulations of domestic and overseas regulatory institutions, code of conduct for the performance of duties as directors and requirements for information disclosure which A + H listed companies should follow.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XI. THE SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

☒ Applicable ☐ Not applicable

The Company has established five special committees under the Board of Directors, including the Strategy and Investment Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Audit and Risk Management Committee, and the Quality and Safety Committee. Members of the Remuneration and Evaluation Committee and the Audit and Risk Management Committee are all held by external directors, ensuring that external directors fully express their opinions and perform their duties efficiently.

As of the date of this report, the number of members and composition of the Strategy and Investment Committee of the Board, the Audit and Risk Management Committee of the Board and the Quality and Safety Committee of the Board are not temporarily in compliance with the provisions of the relevant working rules of the Board committees. The Audit and Risk Management Committee of the Board currently includes two independent non-executive Directors, which does not comply with the requirement of Article 3.21 of the Listing Rules of the Hong Kong Stock Exchange that the audit committee shall have at least three members. To comply with the Listing Rules of the Hong Kong Stock Exchange and the working rules of the relevant special committees under the Board, the Company will use its best endeavours to appoint suitable candidates as soon as possible.

i. The special committees under the Board of Directors

The Company has established five special committees under the Board of Directors, including the Strategy and Investment Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Audit and Risk Management Committee, and the Quality and Safety Committee. Members of the Remuneration and Evaluation Committee and the Audit and Risk Management Committee are all external directors, ensuring that external directors fully express their opinions and perform their duties efficiently.

Categories of Special Committees	Member Name
Strategy and Investment Committee	LOU Qiliang, YAO Guiqing, YAO Cho Fai Andrew, FU Junyuan
Audit and Risk Management Committee	FU Junyuan, YAO Cho Fai Andrew
Nomination Committee	YAO Guiqing, YAO Cho Fai Andrew, ZHANG Quan
Remuneration and Evaluation Committee	YAO Guiqing, YAO Cho Fai Andrew, FU Junyuan
Quality and Safety Committee	LOU Qiliang, YAO Guiqing

SECTION V CORPORATE GOVERNANCE (CONTINUED)

ii. The Strategy and Investment Committee held one meeting during the Reporting Period

Time of Meeting	Content of Meeting	Important	
		Comments and Recommendations	Other Performance of Duties
16 April 2024	Considered the resolution on the mid-term adjustments to the "14th Five-Year" Development Plan of China Railway Signal & Communication Corporation Limited	Agreed	Nil

During the reporting period, from 1 January 2024 to 17 January 2024, the Strategy and Investment Committee comprised executive Directors Mr. Zhou Zhiliang (resigned in January 2024) and Mr. Lou Qiliang, and independent non-executive Directors Mr. Yao Guiqing, Mr. Yao Cho Fai Andrew and Mr. Fu Junyuan. Mr. Zhou Zhiliang (resigned in January 2024) served as the chairman of the committee. From 18 January 2024 to the end of the reporting period, the Strategy and Investment Committee comprised Executive Director Mr Lou Qiliang, and independent non-executive directors Mr Yao Guiqing, Mr. Yao Cho Fai Andrew and Mr Fu Junyuan. Mr Lou Qiliang has served as the Committee's chairman from 21 February 2024. The Strategy and Investment Committee is accountable to the Board of Directors and is mainly responsible for studying the Company's development strategies and plans, and making recommendations on major investments, major investment financing, major capital operations, asset management projects, and other major matters that affect the Company's development.

During the Reporting Period, the attendance of each member at the meetings of the Strategy and Investment Committee is as follows:

Name of Director	Number of attendances	Number of actual	
		attendances	Number of absences
Mr. LOU Qiliang	1	1	0
Mr. YAO Guiqing	1	1	0
Mr. YAO Cho Fai Andrew	1	1	0
Mr. FU Junyuan	1	1	0

Note: Mr. Zhou Zhiliang has ceased to be a member and the chairman of the Strategy and Investment Committee of the Company with effect from 18 January 2024. For details, please refer to the announcement published by the Company on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 18 January 2024.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

iii. The Audit and Risk Management Committee held five meetings during the Reporting Period

Time of Meeting	Content of Meeting	Important Comments and Recommendations	Other Performance of Duties
26 January 2024	<ol style="list-style-type: none"> 1. Considered the resolution on the 2023 Final Accounts Audit Plan of China Railway Signal & Communication Corporation Limited 2. Considered the resolution on the 2024 Major Business Risk Forecast and Assessment Report of China Railway Signal & Communication Corporation Limited 	Agreed	They listened to the reports on the critical tasks for 2023 of the Legal Compliance Department and Audit Department.
25 March 2024	<ol style="list-style-type: none"> 1. Considered the resolution on the 2023 Audit of the Financial Statements and Internal Control of China Railway Signal & Communication Corporation Limited 2. Considered the resolution on the Payment of Audit Fees for 2023 and the Plan of Appointment of External Auditor for 2024 3. Considered the resolution on the Internal Audit Report for 2023 and Internal Audit Plan for 2024 of China Railway Signal & Communication Corporation (Group) Limited 4. Considered the resolution on the Quality Assessment Report on Internal Audit Work for 2023 of China Railway Signal & Communication Corporation Limited 5. Considered the resolution on the Report on Internal Control Evaluation for 2023 of China Railway Signal & Communication Corporation Limited. 	Agreed	–

SECTION V CORPORATE GOVERNANCE (CONTINUED)

Time of Meeting	Content of Meeting	Important Comments and Recommendations	Other Performance of Duties
25 April 2024	<ol style="list-style-type: none"> 1. Considered the resolution on the First Quarter Report for 2024 of China Railway Signal & Communication Corporation Limited 2. Considered the resolution on the Major Risk Monitoring Report for the First Quarter for 2024 of China Railway Signal & Communication Corporation Limited 3. Considered the resolution on the 2023 Internal Control System Work Report of China Railway Signal & Communication Corporation (Group) Limited 	Agreed	They listened to the report on the critical tasks for the first quarter of 2024 of the Audit Department.
27 August 2024	<ol style="list-style-type: none"> 1. Considered the resolution on the Results of BDO China SHU LUN PAN Certified Public Accountants LLP's 2024 Interim Review on China Railway Signal & Communication Corporation Limited 2. Considered the resolution on the Major Risk Monitoring Report for the Second Quarter of 2024 of China Railway Signal & Communication Corporation Limited 	Agreed	They listened to the reports on the critical tasks of the Legal Compliance Department and Audit Department.
25 October 2024	<ol style="list-style-type: none"> 1. Considered the resolution on the Third Quarter Report for 2024 of China Railway Signal & Communication Corporation Limited 2. Considered the resolution on the Major Risk Monitoring Report for the Third Quarter of 2024 of China Railway Signal & Communication Corporation (Group) Limited 	Agreed	They listened to the reports on the critical tasks of the Legal Compliance Department and Audit Department.

During the Reporting Period, from 1 January 2024 to 17 January 2024, the Audit and Risk Management Committee comprised of independent non-executive Directors Mr. FU Junyuan, Mr. YAO Cho Fai Andrew, and non-executive Director Mr. GUO Yonghong (resigned in January 2024) serving as members. From 18 January 2024 to the end of the Reporting Period, the Audit and Risk Management Committee comprised independent non-executive Directors Mr. FU Junyuan and Mr. YAO Cho Fai Andrew. In particular, Mr. FU Junyuan, who has rich knowledge and experience in accounting, served as the chairman. The Audit and Risk Management Committee was mainly responsible for proposing the selection and replacement of the Company's external audit firm; supervising the Company's internal audit system; the communication, supervision and verification of the Company's internal audit; reviewing the financial information and its disclosure; reviewing risk management and internal systems; reviewing the Company's risk management strategies and solutions; risk control, management, supervision and evaluation of major decisions, major events, and important business processes. During the Reporting Period, the Audit and Risk Management Committee strictly complied with the requirements of the Company's Working Rules for the Audit and Risk Management Committee of the Board of Directors and the Working Rules for the Annual Report of the Audit and Risk Management Committee of the Board of Directors and other system requirements, performed the duties of the committee independently and objectively, and actively carried out work centring on auditing and supervision, financial monitoring, internal control system construction and comprehensive risk management. It considered several proposals on financial reports such as the periodic reports of the Company, carefully studied the contents of the proposals, and repeatedly checked and studied the financial information disclosed in the reports and financial statements of the Company. During the Reporting Period, the Audit and Risk Management Committee has reviewed the annual results of the Company for the year

SECTION V CORPORATE GOVERNANCE (CONTINUED)

ended 31 December 2023, the unaudited interim results of the Company for the six months ended 30 June 2024 and the quarterly results of the Company for the three months ended 31 March 2024 and for the nine months ended 30 September 2024. They regularly listened to the reports of the Legal Compliance Department and Audit Department on major risk assessment, major risk monitoring, major risk events, corporate compliance management, corporate system building, internal control evaluation, internal audit work quality assessment, internal audit work, and execution of internal audit. The Audit and Risk Management Committee has discussed the accounting policies and practices adopted by the Company, internal control and financial reporting matters with the senior management of the Company, and has reviewed the effectiveness of the accounting policies and practices adopted by the Group, financial control, the risk management and internal control system and the internal audit function of the Group for five times, and considers that the Group's risk management and internal control system and the operation of the internal audit department remain effective. Meanwhile, the Audit and Risk Management Committee had three meetings with external auditors. The Audit and Risk Management Committee has also reviewed the compliance of the Company with the Corporate Governance Code and the Corporate Governance Report (the Corporate Governance section of this report) of the Company.

During the reporting period, the attendance of each committee member at the meetings of the Audit and Risk Management Committee is as follows:

Name of Director	Number of attendances	Number of actual attendances	Number of absences
Mr. YAO Cho Fai Andrew	5	5	0
Mr. FU Junyuan	5	5	0

Note: Mr. Guo Yonghong has ceased to be a member of the Audit and Risk Management Committee of the Company with effect from 18 January 2024. For details, please refer to the announcement published by the Company on the HKExnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 18 January 2024.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

iv. The Remuneration and Evaluation Committee held one meeting during the Reporting Period

Time of Meeting	Content of Meeting	Important Comments and Recommendations	Other Performance of Duties
11 September 2024	Report on the Remuneration of the Corporate Officers for 2023 of CRSC	Agreed	–

During the Reporting Period, the Remuneration and Evaluation Committee consisted of independent non-executive Directors Mr. YAO Guiqing, Mr. FU Junyuan, and Mr. YAO Cho Fai Andrew serving as members. Mr. YAO Guiqing served as the chairman. The Remuneration and Evaluation Committee was mainly responsible for formulating and assessing the evaluation standards of the Company's directors and senior management; formulating and reviewing the remuneration policies and plans of the Company's directors and senior management, and making recommendations to the Board of Directors; and reviewing and implementing the terms of the Executive Directors' Service Contracts and making recommendations to the Board of Directors. During the Reporting Period, the Remuneration and Evaluation Committee was not involved in reviewing matters related to the share scheme as described in Chapter 17. During the Reporting Period, the Remuneration and Evaluation Committee of the Board of Directors strictly complied with the Company's Working Rules for the Remuneration and Evaluation Committee of the Board of Directors and other system requirements, and performed the duties of the committee independently and objectively.

During the Reporting Period, the attendance of each member at the Remuneration and Evaluation Committee meetings was as follows:

Name of Director	Number of attendances	Number of actual attendances	Number of absences
Mr. YAO Guiqing	1	1	0
Mr. YAO Cho Fai Andrew	1	1	0
Mr. FU Junyuan	1	1	0

SECTION V CORPORATE GOVERNANCE (CONTINUED)

v. The Quality and Safety Committee held no meetings during the Reporting Period

From 1 January 2024 to 17 January 2024, the Quality and Safety Committee comprised executive Director Mr. LOU Qiliang, independent non-executive Director Mr. YAO Guiqing and non-executive Director Mr. GUO Yonghong (resigned in January 2024) serving as members. Mr. LOU Qiliang served as chairman. From 18 January 2024 to the end of the Reporting Period, the Quality and Safety Committee was composed of Mr. Lou Qiliang, an executive Director, and Mr. Yao Guiqing, an independent non-executive Director, with Mr. Lou Qiliang serving as the chairman. The Quality and Safety Committee was accountable to the Board of Directors and was mainly responsible for researching the Company's major quality and safety decisions, researching the Company's long-term quality and safety mechanism construction, and reviewing the Company's annual key work on quality and safety.

During the Reporting Period, the Quality and Safety Committee did not hold any meetings.

On 20 January 2025, the Quality and Safety Committee held a meeting to hear a report on the quality and safety work of CRSC in 2024 and considered and approved the Resolution on the Key Work Arrangements for Quality and Safety of CRSC in 2025.

vi. The Nomination Committee held no meetings during the Reporting Period

During the Reporting Period, from 1 January 2024 to 17 January 2024, the Nomination Committee comprised Executive Director Mr. Zhou Zhiliang (resigned in January 2024), independent non-executive Directors Mr. Yao Guiqing and Mr. Yao Cho Fai Andrew as members, with Mr. Zhou Zhiliang as the chairman. From 21 February 2024, the Nomination Committee consisted of independent non-executive Directors Mr. YAO Guiqing and Mr. Yao Cho Fai Andrew and executive Director Mr. ZHANG Quan serving as members, with Mr. YAO Guiqing serving as Chairman. The Nomination Committee was accountable to the Board of Directors and was mainly responsible for researching the selection criteria, procedures and methods for Directors and senior management and making recommendations; reviewing candidates for Directors and senior management, and providing review opinions and appointment recommendations to the Board of Directors; reviewing the independence of independent non-executive Directors; and making recommendations to the Board of Directors on the appointment or reappointment of Directors and senior management and the succession plans for the above-mentioned personnel. In reviewing the size and composition of the Board of Directors, identifying and nominating candidates for Directors, the Nomination Committee shall consider relevant factors to achieve the diversity of the Board members according to the business model and specific demands of the Company.

During the Reporting Period, the Nomination Committee did not hold any meetings.

On 14 March 2025, the Nomination Committee held a meeting and considered and approved the Proposal on Nominating Employee Director.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

The Nomination Committee adopts the following procedures for selection and appointment of Directors and senior management members:

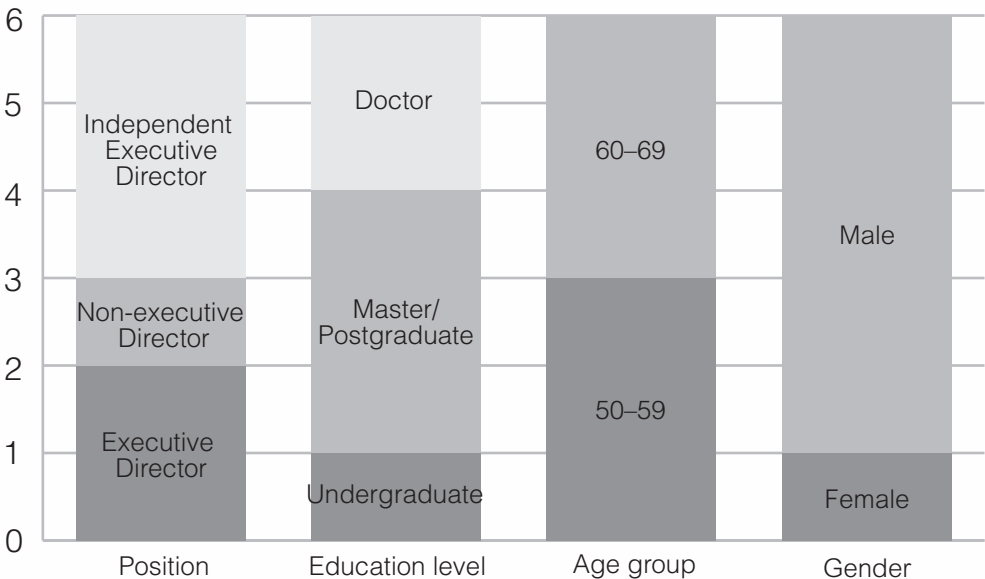
- i. The Company shall actively study the Company's demands for new Directors and senior management members and prepare written materials;
- ii. The Company shall search for candidates for Directors and senior management members in the Company and its wholly-owned and holding (joint-stock) enterprises and the talent market;
- iii. The Company shall gather information of preliminary candidates, including occupation, education, job title, detailed work experience and all part-time jobs, and prepare written materials;
- iv. The Company shall seek the consent of the nominees for nomination;
- v. The Company shall convene a meeting of the Nomination Committee to conduct a qualification check of the preliminary candidates based on the appointment criteria for Directors and senior management members;
- vi. The Company shall submit to the Board its recommendations on the candidates for Directors and senior management members and relevant materials prior to the election of new Directors or the appointment of new senior management members; and
- vii. The Company shall implement other follow-up work in accordance with the decisions and feedback of the Board.

In reviewing the structure of the Board, the Nomination Committee considers Board members diversity from various aspects, including but not limited to cultural, educational background, professional experience, skills and knowledge. All appointments of Board members are based on meritocracy, and candidates are considered with due regard for the capacity, skill and experience required for the overall operation of the Board, so as to ensure the proper balance of the Board members.

The Company understands and strongly believes that diversity among Board members is an important element in maintaining the Company's competitive advantages and fostering the Company's sustainability. The Company considers the diversity of Board members from many aspects when determining the composition of the Board of Directors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and service period. As the Nomination Committee makes recommendations or suggestions to the Board of Directors on the appointment of new Directors of the Company, it will fully take into account the benefits of diversity of Board members. Meanwhile, the Company considers the above factors based on its own business model and specific needs from time to time, and will ultimately come to a decision based on the strengths of the candidates and the contributions they can provide to the Board of Directors.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

The table below shows the diversity position/overview of the Board of Directors of the Company as at the date of this report.



Upon the election of Ms. Luo Jing as the employee representative director of the Company, the Company has complied with the requirements of Rule 13.92 of the Listing Rules of the Hong Kong Stock Exchange relating to gender diversity of the Board. We understand the particular importance of gender diversity and therefore will strive to enhance the gender diversity of the Board. When selecting and recommending suitable candidates for the Board, the Company will take opportunities to increase the proportion of female members on the Board and enhance the level of gender diversity in accordance with shareholder expectations and recommended best practices. The Company plans to promote gender diversity in the recruitment of middle and senior management staff, so that the Company has more potential successors for female senior management and Board members.

During its review of the composition of the Board of Directors, the Nomination Committee, having assessed the skills and experience of the directors and their suitability to the Company’s business, considered the Company’s existing Board structure to be reasonable and have a balance of skills, experience and expertise appropriate to the requirements of the Company’s business.

vii. The details of objections

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XII. SUPERVISORY COMMITTEE

As of the end of the Reporting Period, the Supervisory Committee of the Company consists of 3 members, namely Mr. KONG Ning, Ms. LI Tienan and Ms. YANG Yang with Mr. KONG Ning serving as the chairman.

The Supervisory Committee is made up of representatives of the Shareholders and an appropriate proportion of representatives of the Company's staff. The actual proportion shall be stipulated in the Articles of Association of the Company, provided that the proportion of representatives of the Company's staff shall not be less than one-third.

Representatives of the Company's staff at the Supervisory Committee shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise. A Supervisor shall serve a term of three years, and may seek re-election upon expiry of the said term. A Supervisor shall continue to perform his or her duties in accordance with the laws, administrative regulations and the Company's Articles of Association until a duly re-elected Supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his or her term of office or if the resignation of Supervisors results in the number of Supervisors being less than the quorum.

The Supervisory Committee shall be accountable to the general meeting and may exercise the following powers:

- i. Review the Company's financial position;
- ii. Supervise the Directors, president and other senior management in their performance of their duties of the Company and to propose the removal of Directors and senior management who have violated laws, regulations, the Articles of Association or resolutions of general meetings;
- iii. When the acts of a Director, president and other senior management are detrimental to the Company's interests, to require him/her to correct such acts;
- iv. Propose the convening of extraordinary general meetings and to convene and preside over general meetings when the Board fails to perform the duty of convening and presiding over general meetings according to laws;
- v. Put forward proposals to general meetings;
- vi. Review and issue written review comments on the periodic reports of the Company prepared by the Board;
- vii. Initiate proceedings against Directors and the senior management in accordance with relevant laws;
- viii. Initiate investigations into any irregularities identified in the operation of the Company and, where necessary, to engage professional institutions, such as an accounting firm and a law firm, to assist its work; and
- ix. Other powers authorised by the Articles of Association or general meeting.

During the Reporting Period, Supervisory Committee has monitored Directors and managers' performance of functions and lawful operation of the Company, reviewed periodical reports of the Company prepared by the Board, reviewed the financial statements of the Company and conducted daily supervision and paid close attention to possible risks that may occur during the Company's operation.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XIII. EXPLANATION OF THE SUPERVISORY COMMITTEE ON DISCOVERY OF THE COMPANY'S RISKS

☐ Applicable ☒ Not applicable

The Supervisory Committee had no objection to the supervision matters during the Reporting Period.

XIV. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

i. Employee

Number of in-service employees of the parent company	111
Number of in-service employees of major subsidiaries	18,892
Total number of in-service employees	19,002
Number of resigned and retired employees with expenses borne by the parent company and major subsidiaries	–

Professional composition

Category	Number
Production personnel	5,157
Sales personnel	1,231
Technical personnel	8,844
Financial personnel	685
Administrative personnel	1,767
Other	1,318
Total	19,002

Educational background

Category	Number (person)
Doctoral degree	110
Master's degree	2,976
Bachelor's degree	11,079
College degree	3,203
High school degree and below	1,635
Total	19,002

SECTION V CORPORATE GOVERNANCE (CONTINUED)

The Board values diversity (including gender diversity) at all levels of the Group. As at 31 December 2024, the Company managed to attract female talent. As at 31 December 2024, the ratio of male to female employees of the Company was approximately 74:26, which is in line with the Group's employee diversity policy. The Group considers a number of factors when hiring employees, including but not limited to gender, age, cultural and educational background, qualifications, ethnicity, professional experience, skills, knowledge and years of service, and the Group will ensure gender diversity across the workforce.

ii. Remuneration policy

☒ Applicable ☐ Not applicable

In accordance with various policies and guidelines of the state in relation to income distribution and considering the requirements of modern enterprise system, the Company has been continuously improving the remuneration management system and established a salary determination and normal increment mechanism which is basically adapted to the labour market and linked with the enterprise benefits and labour productivity. The Company gives full play to the incentive and constraint functions that remuneration distribution may serve to attract and retain the core talents of the Company, and focuses on the cultivation and reward of scientific and technological talents and technical talents.

In terms of total remuneration adjustment, the Company strictly follows the archival management measures of total remuneration, and adheres to the basic principle of efficiency-based wages, i.e., the enterprises with high efficiency and benefit set high wage levels, which reflects the fairness of distribution, at the same time, support of standalone measures of total remuneration was provided to the team undertaking key core technology research projects to stimulate the enthusiasm of scientific research personnel; in terms of management of the remuneration of responsible persons, the remuneration of responsible persons are linked with the operating performance and the management of the Company, which has good guiding and supporting effects on achieving the operation and management objectives; in terms of the remuneration management of employees of the Company, the Company established a salary system based on basic wages and performance-based bonus, to reflect the job value orientation and work achievement orientation of internal income distribution, effectively enhance the working positivity of employees and improve the vitality of enterprises.

The remuneration policy of Directors and Supervisors of the Company is as follows:

1. The remuneration and benefit standards for executive Directors: total pre-tax remunerations (including basic salaries and performance-based salaries) + social insurances ("insurances and housing provident fund" paid by the Company for individuals) + annuity (supplementary pension insurance paid by the Company for individuals).
2. Total pre-tax remunerations for independent non-executive Directors consist of basic remunerations, allowances for attending Board meetings, allowances for attending meetings of special committees under the Board, of which basic pre-tax annual remunerations for Directors of special committees and other independent non-executive Directors are RMB100,000 and RMB80,000, respectively; and pre-tax allowances for attending Board meetings and meetings of special committees are RMB3,000/time and RMB2,000/time, respectively.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

3. The remuneration standards for an independent non-executive Director served by a person-in-charge of a central enterprise leaving his current post, including leaders of state-owned enterprises, state-owned financial enterprises and other units and their internal institutions and subsidiaries, shall be implemented in accordance with the *Notice on Salary Allowances for External Directors Served by Persons-in-charge of Central Enterprises Leaving Their Current Posts* (Guo Zi [2016] No. 531) 《關於退出現職的中央企業負責人擔任外部董事發放工資補貼有關事項的通知》(國資[2016]531號)) and *Notice on Adjusting the Work Allowances Standards for Retired Persons in Charge of Central Enterprises as Outside Directors* (Guoziting Kao Fen [2020] No. 187) 《關於調整退出現職的中央企業負責人擔任外部董事工作補貼標準的通知》(國資廳考分[2020]187號)). The pre-tax work allowance is pre-paid at RMB5,000/month per person. When the annual performance evaluation result is determined, it will be cleared and cashed according to the corresponding standards. If the annual performance evaluation result is excellent, the pre-tax work allowance standard is RMB100,000/ year; if the evaluation result is good, the pre-tax work allowance standard is RMB80,000/year; and if the evaluation result is basically competent or below, the pre-tax work allowance standard is RMB60,000/year, and no meeting allowance in any form is received.
4. The remuneration and benefit standards for Supervisors: total pre-tax remunerations (including post-based salaries and performance-based salaries) + social insurances ("insurances and housing provident fund" paid by the Company for individuals) + annuity (supplementary pension insurance paid by the Company for individuals)

Non-executive Director(s) of the Company do not receive remuneration and benefits from the Company in respect of their capacity as Directors. Where a non-executive director is also an employee of the Company, his/her remuneration will be in accordance with the Company's remuneration policy, including salary for the position, performance pay, social insurance and annuity paid by the Company for the individual.

iii. Training plan

☒ Applicable ☐ Not applicable

In 2024, the Company conducted a survey on training needs and formulated the annual training plan for the Company, improving the comprehensive implementation plan for training coverage. Trainings were carried out for all employees classified by cadre sequence, technical sequence, skill sequence, functional sequence, marketing sequence and project manager sequence. To ensure the implementation of the training plan, the Company cultivated talents by adopting the online and offline method, followed and supervised the implementation of training plan, and evaluated the training effect. In light of actual situation, each subsidiary organised the trainings for whole year. The training content included the work procedure of business, relevant specialised knowledge and business skills. All departments of the headquarters have carried out trainings according to the plan to strengthen the business training of the Group and the trainings on management ability and professional ability of the headquarters staff, and enhance the management and control ability of the Group.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

iv. Labour outsourcing

☒ Applicable ☐ Not applicable

Total number of working hours of outsourced labour ('0,000 hours)

3,914

Total remuneration paid to outsourced labour (RMB'0,000)

139,110

XV. PROFIT DISTRIBUTION PLAN OR RESERVES-TO-EQUITY TRANSFER PLAN

i. Formulation, implementation or adjustment of cash dividend policy

☒ Applicable ☐ Not applicable

1. Formulation of cash dividend policy

While maintaining its sustained and steady development, the Company attaches great importance to the reasonable return on investment of shareholders. According to the relevant regulations of the CSRC, the Articles of Association have clearly stipulated the review procedures for cash dividend and profit distribution. The Company's profit distribution complies with the provisions of the Articles of Association. The dividend standards and ratios are explicit and clear, and the relevant decision-making mechanism and procedures are complete.

2. Implementation of cash dividend policy during the Reporting Period

On 13 June 2024, the 2023 annual general meeting of the Company reviewed and approved the profit distribution plan for 2023. Calculated based on the total share capital of 10,589,819,000 shares (after the listing and issue of A Shares of the Company), cash dividends of RMB1.7 (tax inclusive) per ten shares were distributed, which had been completed.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

3. *Explanation of profit distribution plan for 2024*

The Company held the 27th meeting of the fourth session of the Board on 28 March 2025. The meeting reviewed and approved the Annual Profit Distribution Plan for 2024 with six affirmative votes, zero dissenting vote and zero vote abstaining from voting, and agreed to submit the profit distribution plan to the Company's 2024 annual general meeting for review. The plan decides that a cash dividend of RMB1.7 (tax inclusive) will be paid to all shareholders for every ten shares, of which domestic shareholders will be paid in RMB and H shareholders will be paid in Hong Kong dollars. The exchange rate of Hong Kong dollars will be calculated in accordance with the average interim closing price published by the People's Bank of China for the three working days before the day when the dividend distribution announcement is made. As of 31 December 2024, the total share capital of the Company was 10,589,819,000 shares. Based on this calculation, the total cash dividend to be distributed is RMB1,800.27 million, accounting for 51.51% of net profit attributable to shareholders of listed companies in the 2024 consolidated statement of the Company.

If the above profit distribution plan is reviewed and approved by the Company's general meeting, the cash dividends are expected to be distributed on or before 31 August 2025. When the specific time is determined for convening the general meeting, the Company will separately announce further details including the closure of the registration of members of the H shares and the expected cash dividend payment date, if updated, in respect of the relevant cash dividend distribution. The time arrangement such as the record date and the cash payment date for Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect investors is in line with that for H shareholders of the Company.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

ii. Special explanation of cash dividend policy

☐ Applicable ☒ Not applicable

iii. Provided that the Company has made profits and the parent company's profits distributable to shareholders are positive, but no plan for distribution of profits by cash has been proposed during the Reporting Period, the Company shall disclose in details the reasons therefore and use and plan of usage of the undistributed profit

☐ Applicable ☒ Not applicable

iv. Profit distribution or reserves-to-equity transfer for the Reporting Period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Number of bonus shares to be distributed for every ten shares (share)	–
Amount to be distributed for every ten shares (RMB) (tax inclusive)	1.7
Number of shares to be converted into share capital for every ten shares (share)	–
Amount of cash dividend (tax inclusive)	1,800,269,230
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement	3,494,725,837.36
Percentage of the amount of cash dividend to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement (%)	51.51
Amount of repurchase of shares under cash offer included in cash dividend	–
Total amount of dividend (tax inclusive)	1,800,269,230
Total amount of dividend as a percentage of the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement (%)	51.51

SECTION V CORPORATE GOVERNANCE (CONTINUED)

v. Cash dividend distribution in the most recent three financial years

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statement of the most recent financial year	3,494,725,837.36
Undistributed profit at year-end in the parent company's financial statement of the most recent financial year	2,192,156,362.38
Total cash dividends distributed over the past three financial years (tax inclusive) (1)	5,400,807,690.00
Total amount repurchased and cancelled over the past three financial years (2)	–
Total of cash dividends distributed and amount repurchased and cancelled over the past three financial years (3) = (1) + (2)	5,400,807,690.00
Average annual net profit over the past three financial years (4)	3,535,230,914.51
Cash dividend payout ratio over the past three financial years (%) (5) = (3)/(4)	152.77
Total R&D investment over the past three financial years	5,950,289,966.29
Total R&D investment as a percentage of cumulative revenue over the past three financial years (%)	5.43

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XVI. INFORMATION ABOUT THE COMPANY'S SHARE INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

i. General information of Share Incentive Plan

☐ Applicable ☒ Not applicable

ii. Relevant incentive events disclosed in the temporary announcements and with no progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

Employee stock ownership plan

☐ Applicable ☒ Not applicable

Other incentive measures

☐ Applicable ☒ Not applicable

iii. The equity incentives granted to the Directors, senior management and core technicians during the Reporting Period

1. Stock option

☐ Applicable ☒ Not applicable

2. The first type of restricted stocks

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

3. *The second type of restricted stocks*

☐ Applicable ☒ Not applicable

iv. **Establishment and implementation of evaluation and incentive mechanisms for senior management during the Reporting Period**

☐ Applicable ☒ Not applicable

XVII. RISK MANAGEMENT AND INTERNAL CONTROL

i. **Accountability and Audit**

Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2024. The Directors consider that the Group has adequate resources to continue in business for the foreseeable future and are not aware of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

ii. **Risk Management and Internal Control Systems**

1. *Risk management and internal control management responsibilities*

The Board of the Company is responsible for determining the overall risk management objectives, risk tolerance, major risk management solutions and internal control construction implementation plans of the Company and is accountable to the general meeting for the effectiveness of overall risk management and internal control. The management of the Company is responsible for organising, establishing and improving the Company's overall risk management and internal control system. The legal compliance department of the Company is responsible for the construction and overall operation of the overall risk management and internal control system as well as the organisation, coordination and centralised management of overall risk management and internal control. The audit department of the Company is responsible for evaluating the effectiveness of overall risk management and internal control, and conducting internal control audit and supervision. Such risk management and internal control management are designed to manage rather than eliminating the risk of failure to meet business objectives and to only provide a reasonable, but not absolute, assurance that there will be no material misrepresentations or losses.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

2. Risk management and internal control management systems and procedures

The Company has formulated the Measures for the Administration of Overall Risk Management and Internal Control of the Company and the Measures for the Administration of Risk Evaluation of the Company. In accordance with the regulations, the legal compliance department of the Company conducts a comprehensive risk evaluation on the whole system of the Company at the beginning of each year to examine the effectiveness of overall risk management and control in the previous year and identify the major risks that will be faced in the next year and the countermeasures taken by it. The audit department of the Company conducts an internal control assessment at the beginning of each year to assess the effectiveness of internal control of the whole system for the previous year, identify any internal control defects and implement the rectification of internal control defects. The legal compliance department and audit department of the Company report to the Audit and Risk Management Committee on risk management and internal control, including but not limited to the effectiveness and defects of internal control of the Company, overall risk evaluation results and management and control measures.

3. Non-compliance report policy and procedure

The discipline inspection and supervision department of the Company is responsible for accepting reports on corrupt practices of internal staff of the Company, the violation of the Company's rules and regulations, the dereliction of duty or malfeasance, etc., and carrying out investigation and handling in accordance with the *Interim Provisions on Handling the Violation of Discipline and Non-compliance by Staff of the Company*. Employees, customers, suppliers and other stakeholders of the Company can obtain the report telephone number from the official website of CRSC. Specifically, in accordance with the *Implementation Measures for Handling Complaints about Tender and Bidding of the Company*, it takes the lead in forming an investigation team to conduct investigations into complaints about the tender and bidding of equipment and materials of CRSC and their handling, and makes decisions on handling and gives replies, etc. according to law pursuant to permissions.

4. Key business risks and internal control

In accordance with the requirements of the *Guidelines for Overall Risk Management of Central Enterprises* of SASAC, the Company implements risk management in the operation of all its businesses and effectively manages and controls its business activities through the internal control system and the internal control process. In accordance with the *Measures for the Administration of Rules and Regulations of Stock Company*, the legal compliance department of the Company is responsible for the construction and improvement of the internal control system and evaluating and improving the effectiveness, operability and system coordination of the Company's internal rules and regulations each year. In accordance with the *Interim Measures for Investment Management of Stock Company*, the *Interim Measures for Investment Management of Capital Operation Projects of Stock Company* and other regulations, the relevant business departments of the Company conduct special risk evaluations on important management activities such as investment and generate special risk evaluation reports as an important basis for decision making.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

5. *Overall situation of risk management and internal control for 2024*

In 2024, the legal compliance department and the audit department of the Company organised all functional departments and enterprises of all levels to conduct overall risk evaluations, internal control assessments, rationalise internal control system and procedure, and continue to improve the internal control system, conduct investigations on special risk, track the implementation of major risk control measures, and give risk warning at the beginning of the year in accordance with the regulations and the requirements of the Board of Directors and management of the Company and organised special risk evaluations on and took countermeasures against each major project in order to improve the Company's overall risk management and internal control management system and ensure that the Company's risks are controllable, the internal control system and procedure continue to be effective and internal control measures are effectively implemented. For the year ended 31 December 2024, the Board has reviewed the risk management and internal control system of the Company and its subsidiaries for 5 time through the legal compliance department and the audit department, and considers that the system is still effective and sufficient.

Meanwhile, the Audit and Risk Management Committee has reviewed the effectiveness of the Group's risk management and internal control systems, covering annual material risks and response measures, financial monitoring, internal control and risk management system. The Audit and Risk Management Committee has also considered the adequacy of the Group's resources, employee qualifications and experience in respect of accounting and financial reporting functions, and has reported the relevant matters to the Board. No significant defect in internal control was identified in relevant review.

6. *Handling and releasing inside information*

In accordance with the Company's information disclosure management regulation, the Company has defined the scope of inside information and relevant staff, established a sensitive information submission and release approval mechanism and reviewed the content of the list on a regular basis so as to quickly identify and promptly report any material which may constitute inside information. When receiving any material which may constitute inside information, the information disclosure management department will immediately evaluate the information and monitor the information before the release of the information to ensure that only a small number of those who need to know the information receive such information and ensure that these persons are well aware of their confidentiality responsibility. If such material is judged to be inside information, the information disclosure management department will coordinate the release of inside information as soon as possible through the electronic publication system operated by the Stock Exchange.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XVIII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

In 2024, the Company continuously advanced the development of its internal control system, establishing a framework led by the Articles of Association that covers all levels, ensuring top-down coordination, orderly interaction, clear processes, and smooth interfacing. The internal control system is aligned with the Company's strategy, operational scale, business scope, competitive landscape, and risk profile, and is adjusted in a timely manner in response to changes in internal and external environments. Each year, a plan for system development is issued and its implementation is tracked monthly. Internal control supervision and evaluation have been standardised, with a focus on key areas, major operations, and critical processes. Thorough reviews are conducted to identify internal control deficiencies in business management, and continuous follow-up on rectification efforts is carried out to facilitate the ongoing optimisation of the internal control system.

Explanation of any significant defects in internal control during the Reporting Period

☐ Applicable ☒ Not applicable

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XIX. MANAGEMENT AND CONTROL OVER SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

The Company further optimised its financial shared services system, treasury system, and integrated finance and operations platform to comprehensively enhance the efficiency and quality of financial management. Through the financial shared services system, centralised data processing and sharing have been realised, improving financial workflows and operational efficiency. The treasury system integrates capital management functions to optimise capital structure, reduce financing costs, and strengthen risk prevention and control. The integrated finance and operations platform promotes in-depth alignment between business and financial information, enhances automation, and enables the financial department to participate more actively in business planning, accelerating innovation and transformation. The application of these tools and platforms has strengthened the Company's financial management capabilities, providing subsidiaries with comprehensive services and support, facilitating their sound development, mitigating risks, and jointly advancing the sustainable development of the group.

XX. RELEVANT INFORMATION ABOUT AUDIT REPORT ON INTERNAL CONTROL

☒ Applicable ☐ Not applicable

The Report on Internal Control Evaluation for 2024 (《2024年度內部控制評價報告》) and the Audit Report for 2024 of BDO China SHU LUN PAN Certified Public Accountants LLP on the Internal Control of China Railway Signal & Communication Corporation Limited (《立信會計師事務所(特殊普通合夥)關於中國鐵路通信信號股份有限公司2022年度內部控制審計報告》) have been disclosed on the designated websites of the Shanghai Stock Exchange(www.sse.com.cn) and the Stock Exchange (www.hkexnews.hk) and the official website of the Company (www.crsc.com.cn) together with this report.

Whether to disclose the audit report of internal control: Yes

Opinion type of internal control audit report: Standard report without reserved opinions

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XXI. SELF-EXAMINATION AND RECTIFICATION OF LISTED COMPANY GOVERNANCE SPECIAL ACTIONS

With reference to the Special Self-examination List of Corporate Governance for Listed Companies, the Company carefully reviewed and inspected the setting of corporate organisations, the establishment of system, the operation and decision-making of organisations, controlling shareholders, actual controllers and related parties, the internal control management, the information disclosure, the circumstances of investors and other aspects. It set rectification targets, made elaborate arrangements and promptly made rectifications in an organised way. All problems were fully rectified. During the Reporting Period, the Company further improved the corporate governance system, refined the governance structure, strengthened regulated operations, enhanced the governance efficiency and promoted the high-quality corporate development.

XXII. JOINT COMPANY SECRETARIES

During the Reporting Period and to the date of this report, Mr. LI Lianqing and Dr. NGAI Wai Fung have been the joint company secretaries of the Company. Dr. NGAI Wai Fung serves as a director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited (a professional corporate service provider), and his main contact person in the Company is Mr. LI Lianqing. Mr. LI Lianqing also serves as a member of Standing Committee of the Party Committee, the chief accountant and secretary to the Board of the Company.

Mr. LI Lianqing and Dr. NGAI Wai Fung undertook no less than 15 hours of relevant professional training for the year ended 31 December 2024.

XXIII. AUDITOR'S REMUNERATION AND MATTERS RELATING TO THE AUDITOR

The particulars of the Company's auditors are set out in Section VII "Significant Events" in the annual report.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

XXIV. CORPORATE CULTURE

1. Mission and Vision

Develop the national industry of national train control technology, lead the advancement of global rail transit technology, and protect people's beautiful travel.

2. Core Values

People-Oriented, Innovation & Progress, Safety-First, and Joint Value Creation

Human capital is the Company's most significant asset. We view our employees as the enterprise's primary resource, adhering to a people-first and joint development philosophy. We treat our employees with the utmost respect, safeguarding their essential interests; we centre our operations around our customers, initiating with their needs and concluding with their satisfaction; we honour our partnerships, embracing mutual benefit and collaborative success.

Innovation fuels our growth. The Company is committed to technological innovation, aiming at the technological advancement of national industries; we embrace management innovation, empowering our enterprise to strengthen, optimise, and expand. Technological and management innovations are the twin engines of our enterprise's growth. Our dedication to continual innovation ensures a relentless drive towards sustainable development.

Quality and safety form the cornerstone of our development. We deliver safe, reliable, and robust technology and products to our customers, thereby ensuring the safety of rail transport and protecting public life and property, which stands as our foremost political, economic, and social duty. "Quality as our essence, safety as our creed" encapsulates our core pursuit.

Value creation is our unwavering ambition. Our role in the socioeconomic landscape carries significant political, economic, and social responsibilities. Creating value transcends improving economic returns, mitigating operational risks, and enhancing developmental capabilities. It involves fulfilling our political and social duties effectively, generating and sharing value with shareholders, customers, and the community at large.

SECTION V CORPORATE GOVERNANCE (CONTINUED)

3. Corporate Spirit

Our corporate spirit are: Realism, Innovation, Endeavor and Dedication

We adhere to a disciplined approach, honour scientific principles, follow regulations, and aim for tangible achievements.

We advocate for open collaboration, aspire to new heights, pursue excellence, and strive for unparalleled quality.

Remaining humble in success and resilient in failure, we tackle challenges head-on with selflessness and bravery.

We commit wholeheartedly to our duties, embrace responsibility, strive for effective governance, and dedicate our efforts to the nation through our industry.

XXV. OTHER

☒ Applicable ☐ Not applicable

Directors' responsibilities for the accounts

Each of Directors has acknowledged their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2024.

The Board is responsible for presenting a clear and understandable assessment of annual and interim reports, price-sensitive information and other disclosures required under the Listing of Securities on the Hong Kong Stock Exchange and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS

I. STATEMENT ABOUT ESG FROM THE BOARD OF DIRECTORS

The Company's Board of Directors has always attached great importance to the ESG work and has established a three-tier ESG governance structure comprising the decision-making, management, and execution levels. This framework ensures effective implementation and oversight of ESG initiatives. As the highest decision-making body for ESG matters, the Board of Directors is responsible for the overall planning and coordination of ESG work, starts from top-level design, and integrates ESG into corporate management. The Company's management is responsible for formulating ESG management policies and strategies, reviewing key ESG topics, and driving the implementation of ESG-related initiatives. Headquarters departments and subsidiaries, acting as the execution level, carry out comprehensive ESG practices within their respective areas of responsibility. This year's ESG report elaborates on the management philosophy and highlights practices and annual results of the Company's work on environmental, social, and governance in 2024. For more details, please refer to the 2024 ESG report disclosed with this report.

II. ESG OVERALL PERFORMANCE

☒ Applicable ☐ Not applicable

(1) Industry-specific ESG practices in the current year

☒ Applicable ☐ Not applicable

CRSC actively promoted intelligent and green technological innovation in combination with the characteristics of the industry. During the year, the Company built a digital intelligence platform for the whole industrial chain in the field of rail transit control, which significantly improved the operational efficiency and safety of rail transit. It continued to promote the standardisation and localisation of key equipment and components, and established the necessary industrial backup system to maintain a stable supply chain and safeguard industrial chain security. Assisted in organising activities of industry associations and holding the National Railway Industry Vocational Skills Competition, etc., contributing to the sustainable development and progress of the industry. Continuously deepening production safety management, actively participating in social welfare, supporting rural revitalisation and fulfilling the responsibilities of a central enterprise, it has gained a number of industry recognitions.

(2) Current year ESG rating performance

☒ Applicable ☐ Not applicable

ESG Rating system	ESG Rating organization	Company's rating result for the current year
MSCI ESG Ratings	Morgan Stanley Capital International Company (MSCI)	BBB
Listed Company ESG Pioneer 100	CCTV Financial Programme Centre	17th
Central Enterprises ESG Pioneer 100	State-owned Assets Supervision and Administration Commission of the State Council	6th
CSI ESG Rating	Shanghai CSI Index Information Service Co.	A

(3) Tracking by ESG thematic index funds during the year

☒ Applicable ☐ Not applicable

CRSC is a constituent of CSI 300 ESG Benchmark Index and CSI Central Enterprise ESG50 Index. According to the 2024 interim report of ChinaAMC CSI 300 ESG Benchmark ETF (fund code: 159791), it holds 5,380 shares of China Communication.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS

III. ENVIRONMENTAL INFORMATION

Whether mechanisms related to environmental protection have been established	Yes
Amount of investment in environmental protection during the Reporting Period (unit: RMB0'000)	869.4

i. Whether it falls in the category of key pollutant-discharging units determined by environmental protection departments

☒ Yes ☐ No

ii. Administrative penalties for environmental problems in the Reporting Period

During the Reporting Period, neither the Company nor its affiliates were subject to environmental administrative penalties due to environmental issues or violations of laws and regulations.

iii. Information on energy consumption and emissions

☒ Applicable ☐ Not applicable

The Company adheres to the guidance of Xi Jinping's ecological civilisation thought, actively fulfils the development philosophy of "Green mountains and clear water are invaluable assets" (綠水青山就是金山銀山), advocates resource and energy conservation, promotes innovation of green and low-carbon technology, builds green and low-carbon cycling development system, reduce environmental pollution by various measures, forms a green development style and lifestyle, and empowers high-quality development with green and low-carbon. In 2024, the Company accelerated the elimination of high-energy-consuming and high-pollution processing equipment, accelerated the demonstration, application and promotion of new energy-saving and low-carbon technologies, processes and products, implemented green manufacturing, and improved the level of energy conservation and resources recycling.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

1. Greenhouse gas emissions

☒ Applicable ☐ Not applicable

In 2024, CRSC's emission of carbon dioxide reached 57,415 tonnes and the emission density was 0.0181 tonne/RMB10,000.

2. Energy and resources consumption

☒ Applicable ☐ Not applicable

In 2024, CRSC's energy consumption totaled 18,307 tonnes of standard coal equivalent, with a consumption intensity of 0.0056 tonnes of standard coal equivalent per RMB10,000.

3. Waste and pollutant emissions

☒ Applicable ☐ Not applicable

General waste	Production and Manufacturing				
	Wood	Plastic	Metal	Cardboard	Others
	<i>Ton</i>	<i>Ton</i>	<i>Ton</i>	<i>Ton</i>	<i>Ton</i>
2021	104.5	320.3	692.9	100.7	133.2
2022	139.9	221.4	934.8	63.3	159.1
2023	137.8	255.0	1074.6	77.9	201.7
2024	114.2	304.9	1269.6	79.4	343.2

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

4. *Company environmental protection management system and other information*

☒ Applicable ☐ Not applicable

The Company continuously improves relevant systems. In 2024, it revised and issued the *Administrative Measures for the "Three Simultaneous" Work of Construction Projects*, adding requirements related to environmental impact assessment, the design and review of environmental protection facilities, acceptance reports of environmental protection facilities, and pollutant discharge permits for such facilities. These revisions further clarified the division of responsibilities, execution, supervision, and inspection of the "Three Simultaneous" work, and eliminated the generation of new pollution. The Company also formulated the *Interim Measures for Environmental Protection Interviews* to enhance environmental control, prevent environmental incidents, urge enterprises to fulfil their primary responsibilities for environmental protection, and effectively carry out rectification of environmental issues. Throughout the system, 35 energy conservation and environmental protection regulations were newly formulated or revised, bringing the total number of existing regulations to 210. This has effectively established a long-term mechanism for energy conservation and environmental protection, ensuring the consistent application of green development principles in daily production and operations.

iv. **Measures taken to reduce carbon emissions during the Reporting Period and their effectiveness**

Adopted carbon reduction measures or not	Yes
Emissions of CO2 equivalent reduced (unit: tonne)	10,711
Types of carbon reduction measures (such as the use of clean energy in power generation, adoption of carbon reduction technology in production and R&D, and production of new products conducive to carbon reduction)	Types of carbon reduction measures include: the construction of photovoltaic projects; increased efforts in energy conservation and environmental protection informatization; acceleration of the phase-out of "dual high" equipment and facilities (high energy consumption and high emissions); enhancement of the construction of green and low-carbon infrastructure; acceleration of the development of intelligent laboratories; and promotion of the construction of green rail transit.

Specific explanation

☒ Applicable ☐ Not applicable

CRSC earnestly implemented the requirements of the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy of the CPC Central Committee and State Council, and the Guidelines of the SASAC on Promoting High-quality Development of Central State-owned Enterprises to Achieve Carbon Dioxide Peak and Carbon Neutrality. It remained committed to fully, accurately, and comprehensively integrating the concept of green and low-carbon development into all areas and stages of reform and development. CRSC advanced supply-side structural reform, established an economic structure and layout conducive to achieving the "double carbon" goals, improved long-term mechanisms, promoted adjustment of the energy system, and accelerated the application of green and low-carbon technologies. CRSC also practised green manufacturing and construction and actively promoted its carbon peaking initiatives.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

v. New technologies, new products and new services in reduction of carbon emission

☒ Applicable ☐ Not applicable

1. Promoting energy system adjustment: CRSC advanced photovoltaic construction projects. Rooftop distributed photovoltaic power generation projects at CRSC Xi'an Industry Group and Jinxin, and the CRSC rail transit light-storage-charging photovoltaic project were successfully connected to the grid. These photovoltaic projects have a total installed capacity of 7.9 MWp and supply enterprises with 4,353,300 kWh of clean electricity annually, saving 549.2 tonnes of standard coal and reducing CO₂ emissions by 2,482.36 tonnes per year. It also actively adopted green energy. Industrial manufacturing enterprises introduced 9.28 million kWh of green electricity clean energy, reducing carbon emissions at the source.
2. Strengthening digitalisation of energy conservation and environmental protection: CRSC built a demonstrative intelligent energy management and control platform to enhance information-based management of energy conservation and environmental protection. CRSC's Xi'an Industry Group company developed a sub-metering system for electricity, enabling real-time online monitoring of electricity consumption through intelligent management tools, thereby reasonably managing electricity resource use.
3. Accelerating the phase-out of "dual high" equipment and facilities: Xi'an Industry Group's Jinxin company replaced all 47 high-energy-consuming motors, expected to save 25,000 kWh of electricity annually. Cable Group's Tianlan Company, replaced the oil-gas separator and pipeline filter of Compressor No. 1 at the compressor station, reducing monthly electricity consumption by 11,000 kWh. The replacement of 49 solar-powered streetlights at the factory is expected to save approximately 15,000 kWh annually. The CRSC Electrification Bureau Science and Innovation Building project was recognised by Zhengzhou City as a "Standardised Dust Control Construction Site" and a "Smart Construction Site of Henan Province." Carbon emissions during the construction phase are estimated at 2,441.10 tonnes, a 21.54% reduction compared to the original plan; the operational phase emissions are reduced by 18.63% before optimisation.
4. Strengthening green and low-carbon infrastructure: Engineering and construction enterprises actively promoted green construction techniques and green, low-carbon building materials, encouraging material reduction and circular use. CRSC promoted the scaled development of ultra-low energy and low-carbon buildings. Leveraging the advantages of prefabricated construction and BIM technology, CRSC continuously enhanced the digitalisation of construction techniques and industrialisation of construction methods. It promoted the application of new green technologies and renewable energy, strengthened lean construction organisation, and built green, low-carbon, and circular development-oriented enterprises.
5. Accelerating the development of intelligent laboratories: CASCO accelerated the development of its cloud-network integration laboratory project to reduce reliance on physical and dedicated hardware platforms, thereby maximising testing environment efficiency and reducing energy consumption. The intelligent laboratory management system of Urban Transit Company was upgraded and put into use, significantly reducing energy waste from idle equipment. Combined with intelligent gateways, this enabled smart, digital, and centralised management of laboratory equipment.
6. Promoting green rail transit development: Leveraging the strengths in technological innovation, CRSC continued to drive the high-end, intelligent, and green transformation of the rail transit industry, reducing operational costs and energy consumption while maximising equipment efficiency.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

vi. Information beneficial to ecological protection, pollution prevention, and fulfilling environmental responsibility

☒ Applicable ☐ Not applicable

Guided by Xi Jinping's Thought on Ecological Civilisation, CRSC has remained committed to advancing all aspects of ecological and environmental protection. In the reporting year, a total of RMB20.258 million was invested in environmental protection and energy conservation, of which RMB11.564 million was allocated to energy saving and RMB8,694,000 to environmental protection.

Pollution reduction: The Company strictly complies with national environmental protection regulations and has effectively reduced waste emissions in its production and operations by optimising manufacturing processes, introducing advanced environmental technologies, and enhancing the utilisation of waste as resources.

Promotion of green logistics: The Company promoted the use of reusable logistics packaging, developed and applied new technologies, equipment, and facilities, optimised logistics organisation models, and established a green logistics system. The Company carried out green recycling, strengthened waste disposal management and the reuse of recyclable resources, and promoted the use of the "YQP-CRRC. COM" platform for disposal. Since its launch, 22 internal enterprises or institutions have registered accounts, with a cumulative total of 562 projects involving the auction of used materials posted and 238 projects successfully completed.

CRSC fully implemented the requirements of the Special Rectification Action Plan for Ecological and Environmental Protection in the Yangtze River and Yellow River Basins for Central State-owned Enterprises and the Key Points of the Action Plan, by strengthening regulation, remediation, and supervision over subsidiaries and project sites located in these river basins. This effectively safeguarded ecological security in the Yangtze and Yellow River regions. CASCO organised the "Protecting the Blue Planet" initiative to clean up the beach jointly in Xi'an, during which 70 volunteers from the Xi'an Railway Bureau Group and other organisations collected 116.43 kilograms of waste, making a positive contribution to the reduction of plastic pollution in the Yellow River and Chang'an water bodies.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

vii. Measures and outcomes in response to global climate change

☒ Applicable ☐ Not applicable

CRSC actively responded to the challenges of global climate change and, with reference to the climate-related disclosure requirements of The Stock Exchange of Hong Kong Limited, has continuously strengthened climate risk management and disclosures in four key areas: governance, strategy, risk management, and metrics and targets.

The Company established a governance mechanism responsible for overseeing climate-related risks and opportunities—the “Dual Carbon” Work Leading Group and task force—which are in charge of coordinating and promoting carbon peaking and carbon neutrality work. The Company and its subsidiaries formulated the 2024 “Double Carbon” and energy conservation and environmental protection work plans, promoted these initiatives steadily and systematically, assigned responsibilities across departments, and ensured the timely and high-quality completion of work objectives at each stage.

IV. SOCIAL RESPONSIBILITY WORK

i. Social contribution of the main business and key indicators of the industry

The Company was approved as an original innovation source for rail transit safety control technology, with steady progress in tackling key core technologies. Intensive efforts have been made to develop the cloud-based bi-level train control system, and a series of original technologies including ICTC have been successfully deployed. Advanced rail transit systems such as TRANAVI Qiji TACS have been implemented. CRSC established a “4+1” intelligent development framework to accelerate the creation of a full-lifecycle engineering service platform for the four-electricity systems of rail transit and a fully digitalised and intelligent industrial chain platform for rail transit control. The Company joined the Joint Fund for Railway Basic Research under the National Natural Science Foundation of China, and established the Sub-technical Committee on Communication and Signal under the Standardisation Technical Committee of the China Association of Metros. Two experts were successfully selected into the “Top 100 Leading Scientific and Technological Talent Training Programme” for central state-owned enterprises. These efforts effectively supported the needs of industrial development, and met the ever-evolving demands of society.

Throughout the year, the Company delivered over 80 key projects and successfully completed 160 construction and commissioning tasks on operational railway lines of class II or above, contributing to the expansion of China’s total railway mileage to over 162,000 kilometres, including 48,000 kilometres of high-speed rail. CRSC delivered 12 urban rail projects, including the first domestic project enabling in-service coupling/decoupling and inter-line interoperability under fully automated operation (FAO) mode, and the delivery of the first fully automatic driverless project, continuously fulfilling people’s aspirations for a better life.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

ii. Promoting scientific and technological innovation

The Company has fully leveraged its role as a national strategic force for science and technology and as a key driver of technological innovation. It continued to strengthen scientific research and the transformation of technological achievements, overcame core technological challenges, optimised the innovation system, promoted the application of scientific results, and built high-level innovation platforms to advance the goal of achieving high-level self-reliance and self-strengthening in science and technology.

The Company established a comprehensive technology innovation management system and continuously improved related management policies, forming a series of administrative measures such as the *Measures for Science and Technology Management*, the *Measures for Scientific Research Project Management*, the *Measures for the Management of Scientific Research Project Funding*, the *Measures for Technical Standards Management*, the *Measures for Intellectual Property Management*, the *Measures for the Evaluation of Scientific and Technological Achievements*, the *Measures for Science and Technology Awards*, and the *Measures for Laboratory Management*. These policies are complemented by a scientific innovation assessment system and supporting policies to ensure the efficient operation of scientific innovation mechanisms.

CRSC was approved as an original innovation source for rail transit safety control technology and advanced the implementation of the corresponding action plan, making steady progress in tackling key core technologies. With approval from the China Association of Metros, CRSC established the Sub-technical Committee on Communication and Signal Standards (SC15), completing the organisational formation plan. The Company also joined the Joint Fund for Railway Basic Research under the National Natural Science Foundation of China and supported the Research & Design Institute Group in becoming a fund project host unit, guiding leading research forces across society to engage in applied fundamental research in the field of rail transit communication and signaling.

iii. Abiding by scientific and technological ethic

The scientific and technological innovation activities carried out by the Company do not involve scientific and technological ethics such as the thought and behavior code of humans and society, humans and nature, or interpersonal relations.

iv. Data security and privacy protection

CRSC places great emphasis on information security management and strictly abides by the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and other applicable laws and regulations. No information security incidents or customer privacy breaches occurred throughout the year. In terms of data security, the Company promoted the construction and further enhancement of a unified Internet gateway and the online supervision platform for state-owned enterprises. It formulated cybersecurity management systems such as the Regulations on Cybersecurity Management, the Implementation Measures for Cybersecurity Responsibility and Assessment, and the Special Emergency Response Plan for Cybersecurity Incidents. The Company also organised system-wide cybersecurity and information system assessments, assigning cybersecurity responsibilities to specific departments and individuals.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

During the Reporting Period, subsidiaries and institutions responded to cybersecurity bulletins issued by national organisations such as the National Cyberspace and Information Security Information Notification Centre.

Emergency response mechanisms at all levels were strengthened to ensure timely and effective closed-loop resolution of incidents. Cybersecurity attack-defence drills were conducted, and efforts were made to build the capabilities of IT personnel through training programmes focused on cybersecurity and digitalisation. In terms of privacy protection, the Company strictly adhered to the principle of personal data security—"no collection unless necessary." A unified customer information management system was used, with access levels defined for personnel at different levels, and a dedicated department was responsible for the security of customer information. Network information security is continuously optimised to ensure the confidentiality of customer information and data and effectively protect customer rights and interests.

v. Types and contributions of charitable activities

Type	Amounts	Explanation
External donations		
Including: Funds (RMB0'000)	56.70	Used for public relief and public welfare
Goods converted into money (RMB0'000)	—	
Commonweal projects		
Including: Funds (RMB0'000)	18.5	Used to support the development of environmental protection, cultural education and other causes
Number of people rescued (persons)	—	The actual number of people it helps is unable to be account due to the channels
Rural revitalisation		
Including: Funds (RMB0'000)	38.2	Donations to areas receiving targeted assistance for rural revitalisation
Goods converted into money (RMB0'000)	—	
Number of people assisted in employment (persons)	—	The actual number of people it helps is unable to be accounted for due to the channels

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

1. Details of public charitable activities

☒ Applicable ☐ Not applicable

During the Reporting Period, CRSC focused on national priorities and social concerns, demonstrated strong commitment to public welfare, and actively engaged in charitable initiatives to ensure that the fruits of development benefit the public. The Company concentrated its efforts on supporting public welfare, rural revitalisation, and education, contributing to the improvement of people's livelihoods and promoting social harmony. Zhengzhou Zhongyuan Railway Engineering Company of CRSC Electrification Bureau and CRSC Cable Group made donations to Sheqi County, Henan Province, including funds, children's study desks and chairs, books, computers, and other educational supplies, contributing to the development of education in the region. CASCO donated to the China Dunhuang Grottoes Conservation Research Foundation, with the funds directed towards the restoration of checkerboard sand barriers on the roof of the Mogao Grottoes. Shanghai Engineering Bureau Group made donations to the Jinnan Charity Association of Tianjin, which were used for public relief and welfare programmes. CRSC's Xi'an Industry Group made donations to Baihe County and Taibai County to support the ginger cultivation project in Xingfu Village, Chengguan Town, and the musk deer breeding park project in Taibai County.

2. Details on consolidating and expanding the achievements of shaking off poverty and rural revitalisation

☒ Applicable ☐ Not applicable

Poverty Alleviation and Rural Revitalisation Projects		
Poverty Alleviation and Rural Revitalisation Projects	Number/Content	Explanation
Total inputs (RMB'0,000)	38.2	Assistance for Baihe County and Taibai County of Shaanxi
Including: Funds (RMB'0'000)	38.2	
Goods converted into money (RMB'0'000)	–	
Number of people benefited (person)	–	The actual number of people it helps is unable to be accounted for due to the channels
Forms of alleviation (such as poverty alleviation through industry, poverty alleviation through employment, poverty alleviation through education, etc.)	Industry assistance, poverty alleviation through education	The actual number of people it helps is unable to be accounted for due to the channels

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

Specific explanation

☒ Applicable ☐ Not applicable

A total of RMB150,000 was invested respectively in Baihe County and Taibai County, Shaanxi Province, to support the repair and construction of enclosure facilities and storage rooms for the forest musk deer breeding park in Taibai County, as well as to fund land transfer and advancement of the ginger cultivation initiative in Baihe County. Additionally, donations were made to Sheqi County, Henan Province, including funds, children's study desks and chairs, books, computers, and other educational supplies, contributing to the development of education in the county.

vi. Information about the protection of equity of shareholders and creditors

The Company attached great importance to the protection of the equity of shareholders and creditors, actively performed its duties as a listed company, faithfully undertook its responsibilities as a national pillar and displayed its role as a central government-owned enterprise. The Company actively safeguards all legitimate interests of shareholders. The Company attaches importance to the return to shareholders and strictly implements the profit distribution in accordance with the relevant provisions of the CSRC and the SSE. On 13 June 2024, the 2023 annual general meeting was held to review and approve the Resolution on Profit Distribution Plan for 2023. It is recommended to distribute the cash dividend of RMB1.70 (tax inclusive) per 10 shares, and the cash dividend distributed amounted to approximately RMB1.8 billion, ranking the top of listed companies in the same industry with the same size. The Company attaches great importance to the right of shareholders to participate in the corporate governance and guarantees the rights of investors to participate in the general meeting of shareholders. To facilitate small and medium-sized investors to participate in corporate governance, the general meeting of the Company is generally convened in a relatively fixed time and location through the combination of on-site and online means. In addition, the chairman, president and other major leaders of the Company will directly respond to investors' concerns face-to-face through setting up a shareholders' question and answer session in general meeting. The Company pays great attention to information disclosure. Oriented to the demands of shareholders, the Company comprehensively strengthened two-way communications with shareholders and disclosed important information about the Company in a true, accurate, complete, timely, fair, brief, and clear manner so as to ensure their right to know.

The Company faithfully safeguards all legitimate rights and interests of all creditors. Through signing contracts and making regular payments, the Company actively clears the debts owed to creditors, especially private enterprises, to prevent overdue, delayed, and non-payments and fully ensure the payment of migrant workers' wages. In addition, strictly complying with the requirements of bond issuance, the Company will timely repay the financing principal and interest on schedule to ensure the legal interests of bond holders.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

vii. Information about the protection of the interests of employees

The Company strictly complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other applicable laws and regulations. It regards talent as the core driving force of enterprise development, fully safeguards employees' rights and interests, and is committed to building a supportive and caring workplace that fosters personal growth. This approach aims to inspire employees' potential and vitality, enabling the Company and its workforce to advance in unison and create a better future together.

In terms of employment, the Company has clearly defined recruitment policies and procedures, established a fair recruitment and assessment mechanism, and formulated the *Interim Measures for Labour Contract Management* and the *Guiding Opinions on Strengthening the Full Implementation of Market-based Employment*. Employment contracts are signed and performed based on the principles of legality, fairness, equality, voluntariness, mutual consent, and good faith. Labour dispatch agreements are also signed in accordance with the law to protect the lawful rights and interests of both full-time and flexible employees. During the Reporting Period, the labour contract signing rate at CRSC reached 100%.

In terms of remuneration and benefits, the Company adheres to the principle of equal pay for equal work and has established a scientific, rational, and competitive remuneration system. The Company continued to advance remuneration system reform, revised the *Measures for the Management of Headquarters Staff Remuneration*, and established a headquarters remuneration system based on job value and performance contribution. The Measures for the Management of Total Payroll were revised to identify key talent and benchmark salaries by rank and category against the market. The Interim Provisions on Allowances, Subsidies and Benefits were formulated to regulate the management of allowances and benefits. The Company ensures the timely and full payment of statutory social insurance contributions, supplementary pension and medical insurance, and housing provident funds for employees. In addition, various allowances and benefits are granted according to national, regional, and internal policies, covering areas such as health care and daily living. These include one-child allowances, high-temperature subsidies, female employee hygiene subsidies, medical check-up expenses, and more, offering employees a wide range of welfare protections. During the Reporting Period, the Company achieved 100% coverage in social insurance, and employees enjoyed an average of eight days of paid annual leave.

In terms of democratic management, the Company actively promotes democratic management and enhances communication with employees. By establishing and improving a corporate democratic management system centred around the employee representative congress, it practises transparency in operations and fully implements a democratic management model. Meanwhile, employee representative director and supervisor mechanisms are legally established to ensure employee participation in corporate decision-making and supervision. The Company is committed to building harmonious and stable labour relations and improving the collective bargaining system. On the basis of equal consultation, the Company signs *Collective Contracts* and *Special Agreements on Wages* to protect employees' rights to information, participation, expression, and oversight, thereby promoting internal harmony and win-win cooperation.

In terms of employee development, the Company has strengthened the development of its skilled workforce and improved the lifelong vocational skills training system for industrial workers. It developed the *Skills Talent Training Curriculum System (Version 1)*, forming a Group-wide framework for cultivating skilled talent, which includes policies, instructor teams, and training bases across various enterprises. Based on key annual tasks, the Company launched the "Qihang Programme" for outstanding young cadres and professional talent, training programmes for interpreting the spirit of the Third Plenary Session of the 20th CPC Central Committee, as well as training in technological innovation, finance, and work safety.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

In terms of occupational health, the Company continuously improved its occupational disease prevention and control mechanism, fulfilled its responsibilities for occupational disease control, and maintained comprehensive occupational health management records. A total of RMB15.047 million was invested in work injury insurance, achieving 100% coverage. The Company carried out extensive occupational hazard factor testing at workplaces, identifying 219 hazardous posts or locations—all of which passed inspection, resulting in a 100% pass rate from third-party assessments. Regular occupational health check-ups were conducted for employees in hazardous positions, with no occupational diseases or suspected cases found. The Company ensures employees have proper rest and leave, improves the working conditions of frontline workers, adjusts work hours during extreme weather, and implements summer heat and winter cold protection measures. Female employees are not assigned to work prohibited by the State during menstruation, pregnancy, maternity leave, or breastfeeding periods.

Employee stock ownership

Number of employees with stock ownership (person)	N/A
Proportion of employees with stock ownership in total number of employees of the Company (%)	N/A
Number of shares held by employees (10,000 shares)	N/A
Proportion of shares held by employees in total share capital (%)	N/A

viii. Information about the protection of the interests of suppliers, customers and consumer

The Company has strengthened control over key processes such as tendering and procurement, supplier selection, and contract execution, embedding compliance risk management into all links and processes of the supply chain to establish a comprehensive and effective supply chain management system. Integrity risk is strictly prevented by implementing clear requirements and standards for managing a supplier "blacklist" system. Suppliers that violate integrity requirements or professional ethics are included on the blacklist, and all products and services provided by such suppliers are prohibited from being procured or used. Drawing on the digital procurement platform experiences of leading enterprises, the Company is steadily enhancing the functionality of its "CRSC Procurement" platform to ensure business transparency, process control, full online tracking, and permanent traceability.

The Company strictly complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant laws and regulations. It adheres to applicable service and product labelling standards, is guided by user needs, and aligned with market demand to continuously improve customer satisfaction. A dedicated department has been established to handle after-sales services and complaints using a three-tiered management model to meet customer needs with high quality. Project departments remain in place even after project commissioning and delivery, assisting customers with warranty and rectification work, resolving most after-sales issues during this stage. Subsidiaries oversee projects under their responsibility, coordinating internal resources to resolve issues. The Company's headquarters centrally manages after-sales service and complaint resolution, supervises key projects across all levels and the entire system, and, when necessary, coordinates resources throughout the system to address customer needs.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

ix. Product safety and security

The Company focuses on two critical aspects: major risk identification and control, and the investigation and rectification of major safety hazards. It implements tiered and categorised safety management and continuously improves its safety production and supervision mechanism. During the Reporting Period, two rounds of large-scale inspections and rectifications targeting safety hazards were organised across the system, with strict action taken against “five excesses” (exceeding plan, scope, capacity, intensity, and staffing) and “three violations” (command violations, operational violations, and breaches of labour discipline). A total of 4,301 hazard inspections were conducted at all levels, achieving a 100% rectification rate and effectively preventing and resolving major safety risks.

The Company has established a sound emergency safety management system and ensures high standards in emergency support for in-service operating equipment. It has formulated the *Emergency Plan for Rail Transit Operation Equipment Failures* and the *Comprehensive Emergency Response Plan for Accidents and Disasters*, covering early warning mechanisms, emergency response, rescue drills, and other procedures. During the Reporting Period, a total of 178 emergency plans were revised and improved across the system, further enhancing the emergency response framework. The Company organised 636 emergency rescue drills involving 16,762 participants and conducted 173 self-rescue and mutual aid skills training sessions for frontline personnel, with 136 participants, effectively improving the scientific, practical, and operational effectiveness of emergency plans.

The Company places strong emphasis on building a safety culture. It formulated the *Measures for the Administration of Safety Production Education and Training* and regularly organises various safety training sessions to raise employees' awareness of safety and self-protection, enabling proactive hazard prevention at the source and ensuring production and operations take place in a safe and controlled environment. During the Reporting Period, the Company held its annual safety production education and training session under the theme “Everyone Prioritizes Safety, Everyone Knows Emergency Response, Keeping Life Channels Clear.” All members of senior management attended the training. The session strengthened political and accountability awareness among leadership at all levels regarding safety production and enhanced the overall safe production consciousness and management capabilities of all employees, laying a solid foundation for fulfilling the Company's primary responsibility for safe production. More than 2,600 people across the system participated in professional training such as Penetrative Safety Management for Railway Construction Projects, significantly enhancing the knowledge and execution capability of frontline safety and quality management personnel.

x. IPR (intellectual property protection)

CRSC strictly complies with the *Civil Code of the People's Republic of China*, as well as the Criminal Law, Patent Law, Trademark Law, Copyright Law, and other relevant laws pertaining to intellectual property. Internally, the Company has established the *Regulations on Intellectual Property Management* to standardise procedures related to the authorisation, protection, and application of intellectual property. Patent navigation intelligence research is conducted to support overseas and emerging business development through key technology navigation and key patent micro-navigation analysis. The Company's two high-value patent cultivation center construction projects have passed the stage acceptance organized by the local intellectual property Office, and a total of three enterprises have won the title of National Intellectual Property Demonstration Enterprise, and a new China Patent Award Excellence Award. Many of the Company's products have been recognized as the first batch of national patent-intensive products, and the level of patent management, competitiveness and added value of patented products have gradually improved.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

xi. Other commitments of social responsibility

☒ Applicable ☐ Not applicable

CRSC actively promoted youth innovation and efficiency initiatives and the “Merit in the Workplace” campaign under the new era and new journey, continually inspiring young people to engage in volunteer services and expanding the influence of the “Building Dreams Together” volunteer service brand.

CRSC youth volunteers actively participated in the 2024 Capital Volunteer Service Project Competition, the Fengtai District “Learn from Lei Feng” themed volunteer campaign, as well as service support for the 7th China International Import Expo in Shanghai and the 2024 China Museum Directors’ Forum. During these events, CRSC volunteers warmly welcomed each guest, patiently maintained on-site order, introduced the development of China’s high-speed railway train control technology to the public, and provided services such as code verification for entry, guidance and consultation, booth setup, distribution of supplies, and luggage handling—ensuring the smooth running of the events.

In response to multiple forest fires in various parts of Guizhou Province, which severely endangered people’s lives and property, the Youth League Committee of the Group promptly organised local youth members in Guizhou to conduct low-altitude drone patrols in key areas at Changpoling National Forest Park in Guiyang, leveraging CRSC’s technical and product advantages in UAV patrol and monitoring to detect hidden fire hazards. Drones were also used for aerial broadcasts to promptly stop high-risk behaviours such as smoking, open flames, and barbecuing. During the activity, the youth volunteers distributed forest fire prevention leaflets to visitors and cleaned up litter in the forest.

Young volunteers also actively practised traditional Chinese virtues of respecting, caring for, and assisting the elderly. They organised and mobilised youth to visit nearby communities and elderly care centres, carrying out “Care of Youth to the Elderly” services—washing windows for elderly people over 80 living alone, celebrating birthdays collectively, offering support, and delivering care and greetings.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

V. OTHER CORPORATE GOVERNANCE

i. Party's building

☒ Applicable ☐ Not applicable

CRSC thoroughly studied and implemented Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the Third Plenary Session of the 20th CPC Central Committee. With political development as the overarching principle, CRSC focused on empowering high-quality development through Party building, actively exploring the establishment of a "1+2+3+N" work framework to effectively integrate Party building with business operations, achieving alignment and synergy to drive high-quality corporate development.

First, CRSC comprehensively advanced study and education. It issued the Plan for Studying, Publicising, and Implementing the Spirit of the Third Plenary Session of the 20th CPC Central Committee, specifying 18 concrete measures to deeply implement the spirit of the session and organise tiered and classified training, achieving full coverage of centralised rotational training for all Party members. The Implementation Plan for Consolidating and Expanding the Achievements of Thematic Education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era was also issued by the Group Party Committee, detailing 21 tasks across six key areas. A long-term mechanism of "strengthening convictions, enhancing wisdom, rectifying behaviours, and promoting actions through education" was established and improved. Across the system, 227 central group study sessions were held, 103 expert lectures were delivered, 451 disciplinary-themed Party lectures were given by secretaries, 4,479 sessions of "Three Meetings and One Lesson" and themed Party days conducted, and 167 warning education sessions carried out, ensuring the effectiveness of disciplinary education.

Second, CRSC continuously strengthened grassroots foundations. It implemented the "Four Alignments and Four Synchronisations" to promote comprehensive "dual coverage." Standardisation of grassroots Party organisations was advanced, and the "Seven Key Tasks" grassroots Party building project was deepened. CRSC launched a thematic practice activity to strengthen Party building chains to empower the innovation and industrial chains. The CRSC "1+N" Work Guidelines for Special Action on Party Building Empowerment of Industrial and Innovation Chains was compiled and issued, followed by themed seminars and training sessions to promote integrated Party building in the innovation and industrial chains. Eight theoretical and practical achievements were selected as central SOE Party building innovation cases.

Third, CRSC improved cadre competence. It effectively leveraged the "dual training" mechanism, organising regular and centralised training for Party affairs personnel, branch secretaries, and branch committees through special coaching, scenario simulation, practical education, and experience sharing. These efforts addressed the challenge of grassroots Party affairs personnel being "unfit or unskilled" for their roles.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

ii. Investor relationships and protection

Type	Number	Related information
Convening the results presentation meetings	3	The Company held the 2023 results presentation meeting after the disclosure of the 2023 Annual Report; held two online results presentation meetings respectively after the disclosure of the 2024 Interim Report and the Q3 performance results.
Carrying out investor relationships management activities through new media	1	The Company replied to investors' recent concerns or doubts through the SSE e-Interaction platform in time to help investors better understand, recognise and trust the Company. The Company set up the WeChat Official Account to present recent news of the Company, demonstrate the Company through more channels and better transmit the voice of the Company, allowing investors to enter the Company more conveniently and deeply understand the Company.
Setting up an investor relationships column on the official website	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	The Company's official website has an investor relationships column, through which investors can view the Company's online announcements and contact the Board Office of the Company.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

Details of investor relationship management and protection

☒ Applicable ☐ Not applicable

The Company attached great importance to investor relationship management and protection. The Company always adheres to the principle of fair disclosure and makes disclosure on the Shanghai Stock Exchange and the Hong Kong Stock Exchange simultaneously since its listing. Given the different regulatory requirements between the two places, the Company disclosed information in accordance with the more stringent regulatory requirements. It conducted information disclosure in compliance with laws and regulations, guaranteed the quality of information disclosure, promoted investors to understand and recognise the Company and established the image of respecting investors. To further enhance investors' understanding of the Company, reduce information asymmetry to the maximum extent and better demonstrate the Company's strength to investors, the Company organised results presentation meetings in a timely manner after the disclosure of regular reports. To facilitate small and medium-sized investors to better participate in activities and improve the efficiency of communications, the Company carried out online activities and communicated and interacted with domestic and overseas investors on issues such as industry trends, development strategies, production and operation, financial conditions, dividend distribution, risks and difficulties and other general concerns of investors through channels such as live streaming, telephone questions and text interaction. It allowed investors to better understand the Company, recognise the corporate culture and trust the corporate development, thereby realising the value of the capital market and safeguarding shareholders' rights and interests. In addition, the Company conducted on-site research for regulatory authorities, institutional investors, securities analysts, small and medium-sized investors, and the media to showcase the remarkable achievements made by the Company in recent years in R&D of advanced technology, high-end equipment manufacturing, and emerging industries. This effort aimed to enhance the Company's positive image in the capital market and gained recognition from a wide range of investors.

Information about other ways of engagements with investors

☒ Applicable ☐ Not applicable

The Company carries out investors' relations management through various channels. We keep in touch with institutional investors and small and medium-sized investors through various forms such as the Company's investors' hotline, investors' email and SSE e-Interaction, regularly accept the consultation of investors, analysts and media, answer the routine consultation telephone of investors in time, and ensure that the questions on the SSE e-Interaction platform are answered.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

iii. Transparency of information disclosure

☒ Applicable ☐ Not applicable

The Company effectively fulfilled the information disclosure obligations as a public company, strictly complied with the published and implemented relevant information reporting and disclosure systems of the CSRC, the SSE, the Stock Exchange and the Company. It focused on high-quality information disclosure principles, specified the responsibilities of information disclosure subjects and solidified the reporting and disclosure procedures on internal significant information and guaranteed investors' timely and equally access to key information disclosed by the Company. In addition, on the basis of the established information disclosure in accordance with laws and regulations, the Company further enhanced the transparency of its information disclosure through voluntary disclosure, social responsibility report, etc., so that investors could understand the Company's situation more deeply, share the achievements of the Company's development and realise value investment. For two consecutive years, CRSC has received "A-level" in Shanghai Stock Exchange's information disclosure evaluation.

iv. Institutional investors' participation in corporate governance

☒ Applicable ☐ Not applicable

The Company attached great importance to the opinions and suggestions of institutional investors and supported more institutional investors to participate in corporate governance. In 2023, the Company revised its working rules of special committees to ensure clear delineation of responsibilities and standardised meeting procedures. The Company regularly held teleconferences with institutional investors to address inquiries and actively solicited their opinions and suggestions on significant matters of common concern in the capital market, such as the Company's development strategy, production and operation, financial condition, dividend distribution, and employee incentives. It also organised relevant departments for discussions to address and resolve issues from multiple perspectives, truly incorporating investor voices into the Company. The Company meticulously ensured the performance of independent directors by establishing a multi-channel and normalised communication mechanism. The Chairman and President engaged in frequent communication and exchange with independent directors on major issues such as corporate development strategy, deepening reforms, innovative development, and risk prevention and control, and provided independent directors with updates on production and operation information, financial data, progress on major projects, and risk management. Additionally, they actively invited independent directors to participate in Annual Work Conferences and conduct field research at subsidiaries and project sites, facilitating a timely understanding of the Company's operational development, strategic implementation, resolution execution, and technological innovation. Through diversified corporate governance, the Company further improved its governance structure, elevated governance standards, and enhanced governance effectiveness, thereby contributing to the high-quality development of the Company.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

v. Operation of anti-commercial bribery and anti-corruption mechanisms

☒ Applicable ☐ Not applicable

CRSC strictly complies with the Anti-Money Laundering Law of the People's Republic of China, the Law of the People's Republic of China Against Unfair Competition, the Interim Provisions on Prohibiting Commercial Bribery, and other relevant laws and regulations on anti-bribery, anti-extortion, anti-fraud, and anti-money laundering applicable in its operating regions. The Company opposes all forms of corruption and unfair competition. During the Reporting Period, there were no incidents of unfair competition, commercial bribery, or corruption.

In terms of policy development, the Company formulated and continuously refined internal regulations including the *Provisions on the Disciplinary Handling of Employee Violations*, the *Implementation Measures for Reporting Corruption Cases to the Group Discipline Inspection Commission (Trial)*, the *Provisions on the Implementation of Integrity Talks*, the *Interim Measures for Follow-up Education of Disciplined Personnel*, and the *Implementation Measures for Tolerance and Error Correction for Leading Cadres (Trial)*, to uphold strong moral standards for stable development. The Company also developed and revised a series of regulations such as the *Implementation Measures for the Joint Responsibility Mechanism of the Party Committee and Discipline Inspection Commission for Strict Party Governance*, and the *Responsibility Checklist for the Party Committee's Implementation of Full and Strict Party Governance*. Key tasks were listed in checklist form, resulting in the *Full and Strict Party Governance Meeting Checklist* and the *Key Matters and Responsibility Checklist for Building Party Conduct and Combating Corruption*. These measures promoted awareness, assumption, and fulfilment of responsibilities by all levels of Party committees and leading Party members, creating a cascading structure for implementation. In addition, the Company revised the *Implementation Measures for Deepening the Spirit of the Central Eight-point Regulation and Further Strengthening Work Style Construction*, continually consolidating improvements in work conduct.

In terms of integrity supervision, the Company continued to refine the working mechanism of the Coordination Group for Party Conduct and Anti-corruption Work, holding regular coordination group meetings to consolidate supervisory synergy. The role of discipline inspection committee members in grassroots Party organisations was strengthened to ensure comprehensive oversight through integrated supervision. The Company promoted the application of the *Supervision and Discipline Enforcement Manual*, conducted timely inspections of case quality and disciplinary enforcement safety, and strictly standardised the conduct of leading cadres and employees. The *Integrity Risk Prevention and Control Manual* was actively used to implement internal supervision mechanisms to strengthen both prevention and control of integrity risks and supervision and constraint mechanisms.

In terms of whistle-blower management, the Company established the *Measures for the Management of Disciplinary Inspection Complaints and Reports*, strictly enforcing confidentiality provisions. Information such as the name, employer, and address of the whistle-blower, as well as the content of the report, is kept strictly confidential and is never transferred to or disclosed to the subjects of the complaints. During complaint handling or investigation, all efforts are made to protect the anonymity of the whistle-blower. All confidentiality protocols are strictly followed to protect the legal rights and interests of whistle-blowers.

SECTION VI ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES AND OTHER CORPORATE GOVERNANCE MATTERS (CONTINUED)

vi. Other corporate governance

☒ Applicable ☐ Not applicable

The Company follows the principles of hierarchical, categorised, and centralised risk management, and has established a comprehensive risk management organisational structure tailored to its own characteristics. This includes the Party Committee, Board of Directors, Audit and Risk Management Committee, management, risk and internal control departments, internal audit department, other functional departments, and subsidiaries. Each entity performs its risk prevention and control duties in accordance with the Articles of Association and internal rules.

A system-wide forecast and assessment of major risks for 2024 was conducted, including annual risk information collection, quantitative evaluation, and the formulation of risk management strategies and countermeasures. The *2024 Major Business Risk Forecast and Assessment Report of CRSC* was compiled. To address major business risks at subsidiaries, a differentiated risk monitoring indicator system—"one table for one enterprise"—was established, with quarterly monitoring conducted throughout the system. Each quarter, changes in the macroeconomic and industry environment, the effectiveness of subsidiaries' risk control measures, and the operation of risk indicators were analysed and compiled into quarterly major risk monitoring reports submitted to the Audit and Risk Management Committee of the Board of Directors. The Company issued policy documents such as the *Opinions on Further Focusing on Core Responsibilities and Main Business, Strictly Controlling Business Risks, and Accelerating the Transformation of the Municipal and Housing Construction Business*; the *Guidelines for Handling Existing Engineering Projects*; and the *Work Plan for Fulfilling the Task of "Preventing Major Business Risks" in 2024*. These documents guided the orderly resolution of existing project risks. A risk resolution ledger was established, and on-site inspections were carried out at key subsidiaries to supervise the progress of risk mitigation in project execution. Business risk control for overseas projects was also strengthened. Subsidiaries were organised to conduct comprehensive reviews of legal and compliance risks related to overseas operations, and compliance control systems were improved for overseas investment and engineering contracting. The Company continued to monitor and oversee major business risk events and issues by holding seminars, issuing alerts, and guiding subsidiaries in implementing risk prevention measures. Legal and compliance risks in emerging business areas were also analysed, with a focus on key areas such as cooperation model selection and equity structure design. Legal solutions and risk prevention measures were proposed to safeguard state-owned assets and protect the Company's legitimate rights and interests.

SECTION VII SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

- i. Undertakings during or carried forward to the Reporting Period by the Company's actual controller, shareholders, related parties, acquirers and the Company and other relevant parties providing undertakings

Applicable	Not applicable
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	If the undertaking fails to be performed		
				Whether or not timely and strictly performed	Is there a term for performance	Time and term of undertakings
Undertakings associated with the initial public offering	Profit distribution	CRSC	CRSC has made the following undertakings in respect of profit distribution policies: The Company will distribute profits to shareholders in strict accordance with the profit distribution policies stipulated by relevant laws and regulations, the Articles of Association of China Railway Signal & Communication Corporation Limited, and Dividend Distribution Plan within the Three Years after the Initial Public Offering and Listing of A Shares of CRSC (2019-2021), and strictly implement the review procedures for the profit distribution plan. If the violation of the above undertakings causes losses to the investors, the Company shall be liable to the investors according to law.	Yes	No	Time of undertakings: 15 April 2019 Long-term effective

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Non-competition undertakings	CRSC Group	CRSC Group have made the following undertakings in respect of the non-competition undertakings: (1) As of the date of the issuance of letter of undertakings, CRSC Group and its holding enterprises of CRSC Group (excluding CRSC and its holding enterprises, same hereinafter) have not engaged in or participated in the businesses or activities that constitute or may constitute a direct or indirect competitive relationship with the principal business currently engaged in by CRSC and its holding enterprises in any form domestically or abroad. (2) CRSC Group and its holding enterprises do not, currently or in the future, solely or jointly with others, directly or indirectly, in any form (including but not limited to investment, merger and acquisition, associates, joint ventures, cooperation, partnership, contracting or leasing operation, purchase of shares of listed companies or equity participation) domestically or abroad engage in or participate in, or assist to engage in or participate in any businesses or activities which compete or is likely to compete with the principal business engaged currently or in the future by CRSC and its holding enterprises. (3) If CRSC Group or its holding enterprises find any new business opportunities which directly or indirectly compete or is likely to compete with the principal business of CRSC and its holding enterprises, they will immediately notify CRSC in writing and try their best to procure that these business opportunities are first provided to CRSC and its holding enterprises on reasonable and fair terms and conditions.	Time of undertakings: 15 April 2019	Yes	The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC. CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason).	Yes	-	-

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
			<p>(4) If CRSC and its holding enterprises waive the above new business opportunities and CRSC Group or its holding enterprises engage in these competitive businesses, CRSC and its holding enterprises have the right to acquire any equity, assets and other interests in the abovementioned competitive business from CRSC Group or its holding enterprises at one or multiple times at any time, or choose to entrust operation, lease or contract to operate the assets or business of the above-mentioned competitive business in accordance with the PRC laws and regulations. (5) If CRSC Group or its holding enterprises intend(s) to transfer, sell, lease, licence or otherwise transfer or permit to use the asset and business which competes or is likely to compete, directly or indirectly, with the principal business of CRSC and its holding enterprises, CRSC Group and its holding enterprises will provide priority transfer rights to CRSC and its holding enterprises. (6) CRSC Group will indemnify CRSC and its holding enterprises against all actual losses, damages and expenses suffered/occurred for CRSC Group or its holding enterprises' breach of any terms in the letter of undertaking. (7) The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the temporary suspension of trading of CRSC's stock for any reason).</p>						

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
	Related Party Transactions	CRSC Group	CRSC Group has made the following undertakings in respect of regulating Related Party Transactions: (1) CRSC Group and its holding enterprises (excluding CRSC and its holding enterprises, same hereinafter) will try their best to minimise the Related Party Transactions with CRSC and its holding enterprises. (2) For the Related Party Transactions related with operating activities of CRSC that are not avoidable, CRSC Group and its holding enterprises will perform the decision-making procedures of Related Party Transactions to ensure fair pricing and timely fulfil information disclosure obligations in strict compliance with the relevant laws and regulations and regulatory documents as well as the relevant requirements in CRSC's internal system related with Related Party Transactions. (3) CRSC Group will not take advantage of its position as a controlling shareholder to seek any favourable conditions or benefits over independent third parties for CRSC Group and its holding enterprises from CRSC and its holding enterprises in business operation and other business. (4) CRSC Group will indemnify CRSC and its holding enterprises against all actual losses, damages and expenses suffered/incurred for CRSC Group and its holding enterprises' violation of above-mentioned undertakings. (5) The above-mentioned undertakings remain effective when CRSC Group has the control right over CRSC and cannot be charged or cancelled.	Time of undertakings: 15 April 2019	Yes	Term: The letter of undertakings takes effect from the date of issuance and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC, CRSC terminates its listing (except for the temporary suspension of trading of CRSC's stock for any reason).	Yes	-	-

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
Other undertakings	Other	CRSC	CRSC	15 April 2019	No	Long-term effective	Yes	-	-
	<p>Contents of undertakings</p> <p>CRSC has made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) If the relevant undertakings made publicly by the Company in the prospectus have already contained the restraints, such restraints specified in those undertakings shall prevail; if the Company breaches those undertakings, the Company agrees to adopt the restraints already specified in those undertakings. (2) If the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled, its undertakings (except for the objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), the Company will take the following measures: 1) It shall publicly explain the specific reasons for the failure to perform; inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to the Company and its shareholders to protect the rights and interests of the Company and its shareholders as much as possible. 3) If the public investors suffer losses due to their reliance on the undertakings of the Company in transactions, the Company will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities. (3) In the event that the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled, its undertakings due to objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, the Company will take the following measures: 1) It shall publicly explain the specific reasons for the failure to perform; inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to the Company and its shareholders to protect the rights and interests of the Company and its shareholders as much as possible.</p>								

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
Other		CRSC Group	<p>CRSC Group has made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) CRSC Group will strictly implement the public undertakings made by CRSC Group in the prospectus for this issue and actively accept public supervision. (2) If CRSC Group fails to fulfil its undertakings, confirms that it is unable to perform or fails to perform as scheduled, its undertakings (except for the objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), CRSC Group will take the following measures: 1) It shall publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible. 3) In case of any gains (if any) due to the failure to perform the relevant undertakings, the gains shall be owned by CRSC. 4) If the public investors suffer losses due to their reliance on the undertakings of CRSC Group in transactions, CRSC Group will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities. (3) In the event that CRSC Group fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled its undertakings due to objective reasons beyond the control of CRSC Group such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, CRSC Group will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible.</p>	Time of undertakings: 15 April 2019	No	Long-term effective	Yes	-	-

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
Other	The Company's Directors, Supervisors and senior management have made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) I will strictly perform the public undertakings made in the prospectus for this issue and actively accept public supervision. (2) If I fail to perform my undertakings, confirm that I am unable to perform or fail to perform as scheduled, my undertakings (except for the objective reasons beyond my control such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), I will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible. 3) In case of any gains (if any) due to the failure to perform the relevant undertakings, the gains shall be owned by CRSC. 4) If the public investors suffer losses due to their reliance on my undertakings in transactions, I will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities; if I receive the salary from CRSC, I agree that CRSC can stop paying the salary to me and use it directly to perform my unfulfilled undertakings or to compensate for the loss caused to CRSC and its shareholders by my unfulfilled undertakings (3) In the event that I fail to perform my undertakings, confirm that I am unable to perform or fail to perform as scheduled, my undertakings due to objective reasons beyond my control such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, I will take the following measures: 1) I will publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) It shall make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible.	The Company's Directors, Supervisors and senior management	Contents of undertakings	Time of undertakings: 15 April 2019	No	Long-term effective	Yes	-	-

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Background of undertakings	Contents of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Term of undertakings	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan for the next step
Other		CRSC	The Company undertook to the Hong Kong Stock Exchange that the Company would not use the proceeds from the global offering, as well as any other funds raised through the Hong Kong Stock Exchange, to finance or assist any activities or business, directly or indirectly, (i) relating to or with the target of any sanction, or relating to, with, or in any countries subject to sanctions administered by the U. S., the E. U., Hong Kong, Australia or the U. N. authorities; or (ii) relating to CRSC International, one of the Company's subsidiaries, considering the amount of its annual revenue related to projects in Iran during the Track Record Period. In addition, the Company also undertook to the Hong Kong Stock Exchange that the Company would not undertake any sanctionable transactions that would expose the relevant persons or us to risk of being sanctioned.	Time of undertakings: 28 July 2015	No	Long-term effective	Yes	-	-
Non-competition undertakings		CRSC Group	On 20 July 2015, CRSC Group issued to us a letter of non-competition undertakings, which is effective in the Relevant Period (as defined in the H share prospectus). Pursuant to the letter of non-competition undertakings, CRSC Group has confirmed that, as at the date of the letter of non-competition undertakings, CRSC Group has not engaged in or participated in any form of business activities which, directly or indirectly, compete with the Company's principal businesses. For further details of the letter of non-competition undertakings, please refer to the H share prospectus of the Company.	Time of undertakings: 20 July 2015	Yes	The letter of undertakings takes effect from the date of issuance, and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason).	Non-competition undertakings		

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

- ii. If the Company has made profit forecasts for its assets or projects and the Reporting Period is still in the profit forecast period, explanation made by the Company in regard to whether the assets or projects have reached the profit forecasts and the reasons thereof

☐ Reached ☐ Not reached ☒ Not applicable

- iii. Performance of result-related undertakings and the impact on test of goodwill impairment

☐ Applicable ☒ Not applicable

II. APPROPRIATION OF FUNDS BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES FOR PURPOSES OTHER THAN FOR BUSINESS DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

III. GUARANTEES IN VIOLATION OF REGULATIONS

☐ Applicable ☒ Not applicable

IV. EXPLANATION OF THE BOARD ON ISSUANCE OF A “NON-STANDARD AUDITING REPORT” BY ACCOUNTING FIRMS

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

V. THE COMPANY'S ANALYSIS AND EXPLANATION ON THE REASONS FOR AND IMPACTS OF CHANGES OF ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS

- i. **The Company's analysis and explanation on the reasons for and impacts of changes of accounting policies and accounting estimates**

☒ Applicable ☐ Not applicable

For details, please refer to Section XI Financial Report – V. XL. Changes in significant accounting policies and estimates to this report.

- ii. **The Company's analysis and explanation on the reasons for and impacts of corrections of significant accounting errors**

☐ Applicable ☒ Not applicable

- iii. **Communication with the former accounting firm**

☐ Applicable ☒ Not applicable

- iv. **Approval procedures and other explanations**

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRM

Unit: 0,000 Yuan Currency: RMB

Appointed currently

Name of the domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration for the domestic accounting firm (review of annual report)	518
Service year limit of the domestic accounting firm	3 years
Name of certified public accountant of the domestic accounting firm	GUO Jian, WANG Xiaoyan
Service year limit of certified public accountant of the domestic accounting firm	3 years

	Name	Remuneration
Internal control audit accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP	34

Explanation on appointment and removal of accounting firms

☒ Applicable ☐ Not applicable

On 10 June 2022, it was considered and passed at the general meeting of the Company to appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the auditing institution for the semi-annual review and annual financial audit and internal control audit for the year 2022 for a term of one year.

On 9 June 2023, it was considered and approved at the general meeting of the Company to re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's financial statement auditor and internal control auditor for the year 2023 for a term of one year, and the audit fee is RMB6.36 million in total, of which the internal control audit fee is RMB300,000.

On 13 June 2024, after consideration and approval by the Company's general meeting, it was agreed to appoint BDO China SHU LUN PAN Certified Public Accountants LLP as the auditor for the financial statements and internal control of 2024 for a term of one year, with a total audit fee of RMB6.65 million, including internal control audit fees of RMB340,000.

There have been no changes in the Company's auditors in the past three years including the Reporting Period.

Explanation on change in the accounting firms during the auditing period

☐ Applicable ☒ Not applicable

Explanation of the decrease of 20% or more in the audit fee as compared with the previous year

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

VII. EXPOSURE TO DELISTING

i. The reasons for warning of delisting

☐ Applicable ☒ Not applicable

ii. The countermeasures to be adopted by the Company

☐ Applicable ☒ Not applicable

iii. Exposure to termination of listing and reasons therefor

☐ Applicable ☒ Not applicable

VIII. EVENTS REGARDING BANKRUPTCY AND RESTRUCTURING

☐ Applicable ☒ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION

☒ The Company was not involved in material litigation or arbitration in the year.

X. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER FOR VIOLATION OF LAWS AND REGULATIONS

☐ Applicable ☒ Not applicable

XI. EXPLANATION ON CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

XII. MATERIAL RELATED PARTY TRANSACTIONS

The related party transactions in relation to the ordinary operations

1. *Events disclosed in the temporary announcements and with no progress or change in subsequent implementation*

☐ Applicable ☒ Not applicable

2. *Events disclosed in the temporary announcements but with progress or change in subsequent implementation*

☐ Applicable ☒ Not applicable

3. *Events not disclosed in temporary announcements*

☐ Applicable ☒ Not applicable

- ii. **Related party transactions arising from acquisition or disposal of assets or equity interests**

1. *Events disclosed in the temporary announcements and with no progress or change in subsequent implementation*

☐ Applicable ☒ Not applicable

2. *Events disclosed in the temporary announcements but with progress or change in subsequent implementation*

☐ Applicable ☒ Not applicable

3. *Events not disclosed in temporary announcements*

☐ Applicable ☒ Not applicable

4. *Where an agreement on performance is involved, the performance achievements during the Reporting Period shall be disclosed*

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

iii. Significant related party transactions on the joint external investment

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable

iv. Claims and liabilities between related parties

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

3. Events not disclosed in temporary announcements

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

v. Financial business between the Company and the related financial company or between the financial company controlled by the Company and the related parties

☒ Applicable ☐ Not applicable

1. Deposit business

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related Party	Related party relationship	Maximum daily limit of deposits	Interest rate range of deposit	Opening balance	Amount incurred during the period		Closing balance
					Total deposited amount during the period	Total withdrawal amount during the period	
China Railway Signal and Communication (Group) Corporation Limited and its subsidiaries	The controlling shareholder of the Company and its subsidiaries	8,600,000,000.00	0.35%-1.65%	137,902,595	8,313,908,784	5,450,786,886	3,001,024,493
Total	/	/	/	137,902,595	8,313,908,784	5,450,786,886	3,001,024,493

2. Loan business

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related Party	Related party relationship	Loan limit	Loan interest rate range	Opening balance	Amount incurred during the period		Closing balance
					Total loan amount during the period	Total repayment amount during the period	
China Railway Signal and Communication (Group) Corporation Limited and its subsidiaries	The controlling shareholder of the Company and its subsidiaries	200,000,000	3.75%-4.75%	-	-	-	-
Total	/	200,000,000	/	-	-	-	-

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

3. Credit or other financial business

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related Party	Related party relationship	Type of business	Actual amount	
			Total amount	incurred
China Railway Signal and Communication (Group) Corporation Limited and its subsidiaries	The controlling shareholder of the Company and its subsidiaries	Other financial services (including but not limited to the provision of advisory, agency, settlement, transfer, settlement and sale of foreign exchange, investment, letter of credit, online banking, entrusted loan, underwriting, bill acceptance, etc.)	–	–

4. Other explanations

☐ Applicable ☒ Not applicable

vi. Other

☒ Applicable ☐ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Non-exempt continuing connected transactions

The following continuing connected transactions of the Group have been entered into on normal commercial terms. Pursuant to Chapter 14A of the Listing of Securities on the Hong Kong Stock Exchange, such continuing connected transactions are subject to the requirements of reporting, annual review, announcement and (as the case may be) independent shareholders' approval under Chapter 14A of the Listing of Securities on the Hong Kong Stock Exchange.

Purchases and Sales Framework Agreement between the Company and CRSC Group

The Company entered into 2023–2025 CRSC Group Purchases and Sales Framework Agreement with CRSC Group on 23 May 2023 (after trading hours). The 2023–2025 CRSC Group Purchases and Sales Framework Agreement shall be effective from 1 January 2023 to 31 December 2025 for a term of three years.

Principal terms:

- (1) Pricing policy (see below);
- (2) Except for public tender, both parties must confirm the demand schedule for the next year or the demand adjustment schedule of the current year on a stipulated date of each year;
- (3) The Group and CRSC Group and/or its associates must enter into specific agreements to stipulate specific terms and conditions, including specific products, quality standards and payment methods, in respect of the relevant products under the 2023–2025 CRSC Group Purchases and Sales Framework Agreement; and
- (4) The 2023–2025 CRSC Group Purchases and Sales Framework Agreement shall be effective from 1 January 2023 to 31 December 2025 and may be renewed with mutual consent after negotiation.

Pricing policy:

The pricing of each of the products under the 2023–2025 CRSC Group Purchases and Sales Framework Agreement will be determined on the basis of market prices, together with purchasing costs of materials, labour costs, manufacturing costs, management costs, financial costs, transportation and packaging costs incurred by sales, tax burdens and profitability standards. The pricing of products provided by the Group to CRSC Group and/or its associates will be determined by reference to and subject to the contractual terms agreed between CRSC Group and/or its associates and the contractual party of the overseas project. CRSC Group will purchase products from the Group at the price agreed between itself and the contractual party of the overseas project and supply the same to the contractual party of the overseas project without making any profit. The pricing of the products purchased by the Group from CRSC Group and/or its associates will be determined based on a cost-plus method by adding reasonable profit, with reference to average level in the industry, relevant reasonable costs including purchasing costs of materials, labour costs, manufacturing costs, management costs, transportation and packaging costs incurred. The net profit margin ranges from approximately 10% to 15%. To ensure that the pricing of the products provided by CRSC Group will be no less favourable than those offered to our Group by independent third parties, the Group will collect and review quotes offered by at least two other independent third parties for products of the same type or similar quality for comparison.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Unit: 0,000 Yuan Currency: RMB

Connected Transaction Party	Connected Relationship	Category of Connected Transaction	Contents of Connected Transaction	Pricing principle for connected transactions	Amount of connected transaction	Maximum amount of connected transaction
CRSC Group	Controlling shareholder	Selling goods	Selling, among others, raw materials, excipients, accessories, components and parts, packaging materials, semi-finished products, finished products, commodities and related products	Determined on the basis of market price and by reference to the price agreed between the contractual parties of the Overseas Project	186.57	200.00
CRSC Group	Controlling shareholder	Purchasing goods	Purchasing, among others, raw materials, excipients, accessories, components and parts, packaging materials, semi-finished products, finished products, commodities and related products	Determined on the basis of market price, together with costs and various factors	4,119.50	7,000.00

Description of connected transaction: The aforesaid transaction was the performance of the 2023-2025 CRSC Group purchases and sales framework agreement entered into between the Company and CRSC Group during the Reporting Period. The agreement is valid for three years. The transaction and the total transaction amount involved were within the decision-making authority of the Board of Directors of the Company and have been considered and approved by the same. In the meantime, the transaction satisfied the partial waiver level under the Hong Kong Stock Exchange Listing Rules and was exempted from the approval by independent shareholders.

Construction Contracting Framework Agreement between the Company and CRSC Group

The Company entered into the 2023–2025 Construction Contracting Framework Agreement with CRSC Group on 23 May 2023 (after trading hours). The 2023–2025 Construction Contracting Framework Agreement shall be effective from 1 January 2023 to 31 December 2025 for a term of three years.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Principal terms:

- (1) Pricing policy (see below);
- (2) Except for public tender, both parties must confirm the service demand schedule for the next year or the service demand adjustment schedule of the current year on a stipulated date of each year;
- (3) The Group and CRSC Group and/or its associates must enter into specific agreements to stipulate specific terms and conditions, including, among others, specific scope of engineering construction and ancillary services, service methods and payment methods, in respect of the engineering construction and ancillary services under the 2023–2025 Construction Contracting Framework Agreement; and
- (4) The 2023–2025 Construction Contracting Framework Agreement shall be effective from 1 January 2023 to 31 December 2025 and may be renewed with mutual consent after negotiation.

Pricing policy:

Pursuant to the 2023–2025 Construction Contracting Framework Agreement, the service fees for providing engineering construction and ancillary services by the Group to CRSC Group and/or its associates will be determined after arm's length negotiations with CRSC Group and/or its associates with reference to following major factors: (1) availability and cost of raw materials and equipment and machinery, labor, and subcontractors; (2) local guidance prices for the various raw materials and other construction costs provided by the Housing and Urban-Rural Development Bureaus; (3) project progress plans, complexity and scale of the construction project, and the potential adjustment of the scope of work; (4) the geographical location and environmental conditions of the project; and (5) for competitive bidding, assessment and analysis of the relevant functional departments of the Group based on relevant information of the competitors and specific project demand and the impact of the project on the Company's macro strategy.

In order to ensure that the service fees charged by the Group for the provision of engineering contracting services are fair and reasonable and in line with the prevailing market prices, the Group will keep abreast of the current market rates and market conditions, and review the pricing through an independent third-party consulting agency. In addition, the Group will also refer to the fees previously charged for providing similar engineering contracting services to independent third-party customers.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Unit: RMB'0,000 Currency: RMB

Related parties	Related party relationship	Type of the related-party transaction	Content of the related-party transaction	Pricing principle of the related-party transaction	Amount of connected transaction	Maximum amount of connected transaction
CRSC Group	Controlling shareholder	Providing Services	Providing, among others, project construction and ancillary services, including but not limited to project design and general contracting of construction	Third-party construction cost consulting agency reviews the charged fee in light of the market conditions and refer to the fees for providing services to third-party	4,442.69	45,000.00

Description of connected transaction: The aforesaid transactions was the performance of the 2023–2025 Construction Contracting Framework Agreement entered into between the Company and CRSC Group during the Reporting Period. The agreement is valid for three years. The transaction and the total transaction amount involved were within the decision-making authority of the Board of Directors of the Company and have been considered and approved by the same. In the meantime, the transaction satisfied the partial waiver level under the Listing Rules of the Hong Kong Stock Exchange and was exempted from the approval by independent shareholders.

Financial Services Framework Agreement between Finance Company and CRSC Group

CRSC Group Finance Limited ("**Finance Company**"), a subsidiary of the Company, entered into the Financial Services Framework Agreement with CRSC Group on 23 May 2023 (after trading hours). The Agreement is valid from 1 January 2023 to 31 December 2025.

Principal terms:

- (1) Finance Company shall provide deposit services to CRSC Group in the form of demand deposits, time deposits, call deposits, agreement deposits, etc. If Finance Company fails to repay the deposits to CRSC Group in full and on time, CRSC Group has the right to terminate the Agreement and offset the deposits payable by Finance Company to CRSC Group against the loans provided by CRSC Group to Finance Company in accordance with the laws and regulations of China;
- (2) Finance Company shall provide credit services to CRSC Group, including loans, bill discounting, buyer's credit, accounts receivable factoring, various types of non-financing guarantees, acceptance of bills, etc. If CRSC Group fails to repay Finance Company in full and on time the debts arising from the abovementioned credit services business, Finance Company has the right to terminate the Agreement and offset the debts due to Finance Company by CRSC Group against CRSC Group's deposits with Finance Company in accordance with the laws and regulations of China; and
- (3) Finance Company shall provide other financial services to CRSC Group (including but not limited to the provision of advisory, agency, settlement, transfer, settlement and sale of foreign exchange, letter of credit, online banking, entrusted loan, bond underwriting, etc.) and charges CRSC Group for the services. Subject to compliance with the Agreement, the parties shall enter into specific agreements for the provision of the relevant specific financial services to agree on the specific terms of the transaction.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Pricing policy:

- (1) For deposit services, the interest rate for deposits offered by Finance Company to CRSC Group shall be determined with reference to the benchmark interest rate for the same period promulgated by the People's Bank of China for the same type of deposits, and shall not be higher than the interest rate for the same period determined by banking financial institutions in the PRC for the same type of deposits taken from CRSC Group or equivalent third parties;
- (2) For credit services, the interest rate or fee rate for the credit services provided by Finance Company to CRSC Group shall be determined with reference to the benchmark interest rate or fee rate for the same period promulgated by the People's Bank of China for the same type of business, and shall be no less than the interest rate or fee rate for the same period determined by banking financial institutions in the PRC for the same type of credit business to CRSC Group or equivalent third parties; and
- (3) For other financial services, the service fees charged by Finance Company to CRSC Group shall be in compliance with the relevant standards for the relevant types of services issued by the People's Bank of China or the National Administration of Financial Regulation, if any, and shall be determined with reference to the fees charged by major commercial banks in the PRC for similar financial services.

Unit: RMB'0,000 Currency: RMB

Connected Transaction Party	Connected Relationship	Category of Connected Transaction	Contents of Connected Transaction	Pricing principle for connected transactions	Amount of connected transaction	Maximum amount of connected transaction
CRSC Group	Controlling shareholder	Providing services	Providing credit services	Determining based on the benchmark interest rate or rate set by the People's Bank of China for the same type of business during the same period	-	20,000

Confirmation by Independent Non-executive Directors

The independent non-executive Directors of the Company have reviewed the aforesaid continuing connected transactions and have confirmed that the 2023–2025 CRSC Group Purchases and Sales Framework Agreement, and the 2023–2025 Construction Contracting Framework Agreement have been entered into in the ordinary and usual course of the Group's business; on normal commercial or better terms; on conditions no less favourable to the Company than those available to or from (as the case may be) independent third parties, if it was not practical to make such judgement based on comparable transactions as to whether such transactions have been carried out on normal commercial terms; and in accordance with relevant agreements whose terms are fair and reasonable and in the interest of the shareholders of the Company as a whole. In respect of the new Financial Services Framework Agreement, although it is not in the ordinary and usual course of business of the Company, the terms of the Financial Services Framework Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Auditor's Letter

In accordance with Rule 14A.56 of the Listing Rules of the Hong Kong Stock Exchange, the Company has engaged its auditor, BDO China Shu Lun Pan Certified Public Accountants LLP ("**BDO**"), to report on the Group's continuing connected transactions in accordance with Hong Kong Standards on Assurance Engagements 3000 "Assurance Business Other Than Audits or Reviews of Historical Financial Information" and Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on its work, BDO has provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions:

- (a) nothing has come to BDO's attention that causes it to believe that the aforesaid continuing connected transactions have not been approved by the Board;
- (b) in relation to the transactions involving products and services supplied by the Group, nothing has come to BDO's attention that causes it to believe that the transactions have not followed the Group's pricing policy in any material aspect;
- (c) nothing has come to BDO's attention that causes it to believe that the transactions have not been carried out in any material aspect in accordance with the relevant agreements;
- (d) in relation to the aggregate amounts for each of the aforesaid continuing connected transactions, nothing has come to BDO's attention that causes it to believe that the actual transaction amount of any of the aforesaid continuing connected transactions has exceeded the cap determined by the Company for the year.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

XIII. MAJOR CONTRACTS AND PERFORMANCE

i. Trusteeship, Contracting and Leasing Matters

1. Trusteeship

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable

ii. Guarantees

☒ Applicable ☐ Not applicable

Unit: 0,000 Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)

Total balance of guarantee provided during the Reporting Period (excluding those provided to subsidiaries)

–

Total balance of guarantee as at the end of the Reporting Period (A) (excluding those provided to subsidiaries)

–

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Total guarantee to its subsidiaries incurred during the Reporting Period 241,222,360.95

Total balance of guarantee to subsidiaries as at the end of the Reporting Period (B) 1,685,392,573.64

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Aggregate guarantee of the Company (including those provided to subsidiaries)

Aggregate guarantee (A+B)	1,685,392,573.64
Percentage of aggregate guarantee to net assets of the Company (%)	3.51
Amount of guarantee provided for shareholders, actual controller and their related parties (C)	—
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	1,389,274,288.52
Excess amount of aggregate guarantee over 50% of net assets (E)	—
Aggregate amount of the above three categories (C+D+E)	1,389,274,288.52
Statement on the contingent joint and several liability in connection with unexpired guarantee	—

Statement on guarantee

Percentage of the total guarantee amount to net assets of the Company = guarantee amount/equity attributable to owners of the parent company. As of 31 December 2024, the balance of guarantee amounted to RMB1,685 million, accounting for 3.51% of the Company's net assets, of which, the balance of guarantees for wholly-owned subsidiaries was RMB1,685 million; the balance of guarantees for controlling subsidiaries was RMB0. The Company did not provide any guarantee for any of its controlling shareholders, actual controllers or related parties. As at the end of the Reporting Period, the balance of guarantee provided by the Company for its subsidiaries with an asset-liability ratio of more than 70% amounted to RMB1,389 million.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

iii. Entrusted Cash Asset Management

1. Entrusted wealth management

(1) Overview picture about entrusted wealth management

☒ Applicable ☐ Not applicable

Unit: 0,000 Yuan Currency: RMB

	Source of fundings	Balance	Outstanding balance	Overdue amount
Cash management products of bank	Idle proceeds	270,000	270,000	0

The Company purchased the certificates of large-amount deposits of RMB1.95 billion, RMB550 million and RMB200 million (with an initial investment of RMB250 million and solution pay of RMB50 million on 27 December 2023) from the Beijing Chaonei Sub-branch of China Everbright Bank Company Limited and the Beijing Branch of China Merchants Bank Co., Ltd. for principal- and revenue- guaranteed cash management. For details, please refer to (IV) Other circumstances of use of proceeds during the Reporting Period of XIV. EXPLANATION ON PROGRESS IN USE OF PROCEEDS in this section.

Other information

☐ Applicable ☒ Not applicable

(2) Individual entrusted wealth management

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(3) Provision for impairment of entrusted wealth management

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

2. *Entrusted loans*

(1) *Overall picture about entrusted loans*

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(2) *Individual entrusted loan*

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(3) *Provision for impairment of entrusted loans*

☐ Applicable ☒ Not applicable

3. *Other information*

☐ Applicable ☒ Not applicable

iv. **Other Material Contracts**

☐ Applicable ☒ Not applicable

XIV. EXPLANATION ON PROGRESS IN USE OF PROCEEDS

☒ Applicable ☐ Not applicable

i. Overall Use of Proceeds

☒ Applicable ☐ Not applicable

Unit: Yuan

Source of Proceeds	Fund	availability date	Total proceeds	Net proceeds (1)	Total promised investment amounts out of proceeds in the prospectus (2)	Total amounts out of excessive proceeds (3) = (1) - (2)	Accumulated investment amount as of the end of the Report Period (4)	Total cumulated investment amounts of excessive proceeds as of the end of the Reporting Period (5)	Process of accumulated investment of proceeds as of the end of the Reporting Period (6) = (4)/(1)	Process of accumulated investment of excessive proceeds as of the end of the Reporting Period (7) = (5)/(3)	Investment amount for the year (8)	Proportion of the investment amount for the year (%) (9) = (8)/(1)	Total amount of proceeds for changing purposes
The initial public offering	16 July 2019	10,530,000,000.00	10,354,342,373.23	10,354,342,373.23	10,354,342,373.23	0	5,845,857,337.65	0	56.46	0.00	103,204,658.00	0.99	0

Other information

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

ii. Details of the investment project

☒ Applicable ☐ Not applicable

1. Details of the use of proceeds

☒ Applicable ☐ Not applicable

Unit: Yuan

Source of Proceeds	Project name nature	Project	Is it a promised investment project in the prospectus	Whether the investment change involved	Total planned proceeds investment (f)	Amount invested in the year	Accumulated investment amount as of the end of the Report Period (2)	Accumulated investment as of the end of the Report Period (%) (3) = (2)/(1)	Date of which projects reached expected available status	Whether investment is in line with plan process	Specific reasons for process of investment not achieved	Efficiency achieved in the year	Efficiency achieved or R&D results of this project	Whether feasibility of projects changes significantly, if yes, Amount of please specify savings
The initial public offering	Advanced and intelligent technology research and development projects	R&D	Yes	No	4,600,000,000.00	63,604,050.00	2,693,308,905.45	58.55	2023	Yes	Despite external factors causing a shorter-than-anticipated timeline, the Project's implementation conditions and feasibility remain largely unchanged. The Company is committed to actively advancing its execution.		Please refer to the notes after this table for details.	-
The initial public offering	Advanced and intelligent Manufacturing Base Project (Changsha Industrial Park)	Production and Construction	Yes	No	2,500,000,000.00	0.00	25,350,000.00	1.01	-	No	Due to external environmental influences, the conditions for implementation have changed compared to before, and the progress of implementation is lagging. The Company is carefully assessing the situation and will, based on the principle of maximising investor interests, actively study and further improve the cost-effectiveness of the use of the raised funds based on actual conditions and development strategies.		-	No

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Source of Proceeds	Project name	Project name nature	Is it a promised investment project in the prospectus	Whether the change in investment project is involved	Total planned proceeds investment (t)	Amount invested in the year	Accumulated investment amount as of the end of the Report Period (2)	Accumulated investment as of the end of the Report Period (%) (3) = (2)/(1)	Date of which projects reached expected available status	Whether investment is in line with plan process	Specific reasons for process of investment not achieved	Efficiency achieved in the year	Efficiency achieved or R&D results of this project	Whether feasibility of projects changes significantly, if yes, Amount of please specify savings
The initial public offering	Information construction project	Operational management	Yes	No	300,000,000.00	39,600,608.00	131,264,404.00	43.75	June 2026	Yes	Despite external factors causing a shorter-than-anticipated timeline, the Project's implementation conditions and feasibility remain largely unchanged. The Company is committed to actively advancing its execution.	-	-	No
The initial public offering	Replenishment of Liquid Capital	Replenishing working capital and repaying loans	Yes	No	2,954,342,373.23	0.00	2,955,934,028.2	100.00	-	Yes	-	-	-	-
Total	/	/	/	/	354,342,373.23	103,204,658.00	5,845,357,337.65	/	/	/	/	/	/	/

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

Note 1: The benefits or research and development outcomes achieved from Advanced and Intelligent Technology R&D Projects are as follows: The regional collaborative transport service system has been demonstrated in Chongqing. The autonomous CTCS-3 level train control system was successfully implemented on the Jakarta-Bandung High-Speed Railway. The ETCS train control system ground equipment based on Baseline 3 was launched on the Serbia section of the Hungarian-Serbia Railway. The integrated railway dispatching information system was applied on the Shenhua Railway's Baotou-Shenmu Line and Shenmu-Shuozhou Line. The Beidou satellite positioning-based mobile block system was demonstrated on the entire system on Jingbian-Shenmu Railway, and it is being promoted throughout the line. The Beidou satellite positioning-based new train control system and integrated train control and interlocking equipment completed field trials on the Ruoqiang-Hetian Line and were launched. The CBTC system based on fully electronic interlocking was launched on the Changchun Line 3 extension and Changsha Line 6. The smart light rail traffic control system was launched on the Fenghuang Maglev. The autonomous train operation control system was launched on the Shenzhen Metro Line 20 and conducted trial operations on Shanghai Metro Lines 3/4. The intelligent passenger analysis system has been applied on-site in the Fenghuang Maglev and Taizhou City Rail S1 Line. The low-vacuum tube ultra-high-speed maglev operation control system achieved the world's first dynamic levitation test under low vacuum conditions. The heavy-duty freight train self-organizing network high-density automatic operation control system completed theoretical innovations in train coordination and efficient station dispatching, along with the research and development of system equipment, installation, and commissioning. Successful field trials were conducted, including static testing of the system on the trial segment, the first-phase comprehensive system test on the three stations and two sections of Baotou-Shenmu Line, and the second-phase ATO and tail-end function verification. The large station CTC 3.0 system, based on train control operation integration, will be deployed and applied in the Jinan Railway Bureau and Taiyuan Railway Bureau. The 400 MHz digital railway communication system for dedicated communications completed on-site demonstration trials. The locomotive onboard relay system was trialed on the track. The railway comprehensive video surveillance system, meeting the new standards, has been applied to the core node upgrades of the China Railway, including the Tianjin-Qinhuangdao video, Shantou-Shanwei video, Guangzhou-Shantou video, and Guiyang-Guangzhou renovations. The satellite positioning-based mobile block train control system secured a commercial contract for the Guinea-Mali Railway. Products such as the ZPW-2000 track circuit outdoor monitoring system (split type), switch conversion intelligent diagnostic system, switch rail breakage monitoring system, ZD6 dustproof sealed electric switch machine, and GW-SH type external locking device completed trial tests and were promoted for application.

Note 2: The Advanced and Intelligent Technology R&D Project has invested RMB2,693.31 million as of the end of the Reporting Period. Among them, RMB2,047.88 million was invested in the research of advanced rail transit control system and key technologies, RMB174.87 million was invested in the research of intelligent integrated operation and maintenance system and technology for rail transit, RMB358.41 million was invested in the research of intelligent city and industry communication information system, RMB13.72 million was invested in the research of chip technology applicable to rail transit, and RMB98.42 million (The tail number is generated by rounding) was invested in the research of intelligent construction technology for rail transit.

Note 3: As of 31 December 2024, in the comparison table of the use of proceeds, the actual amount invested in the replenishment of liquid capital was RMB2,995.93 million, which included the total initial committed investment of RMB2,954.34 million and the demand interest generated in the corresponding special bank account of RMB41.59 million.

2. Details of the use of excessive proceeds

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

iii. Changes in or termination of fund-raising investments during the Reporting Period

☐ Applicable ☒ Not applicable

iv. Other use of the raised funds during the Reporting Period

1. *Early investment and replacement regarding the investment projects with the raised funds*

☐ Applicable ☒ Not applicable

2. *Temporary replenishment of liquid capital with the idle raised funds*

☐ Applicable ☒ Not applicable

3. *Use of idle raised funds for cash management and investment in relevant products*

☒ Applicable ☐ Not applicable

Unit: 0,000 Yuan Currency: RMB

Date of deliberation by the Board of Directors	Effective deliberation amount of raised funds used for cash management	Start date	End date	Cash management balance at the end of the reporting period	Does the maximum balance for the period exceed the authorised amount
31 July 2024	270,000	1 August 2024	31 July 2024	270,000	No

Other explanations

The Company held the 23rd meeting of the fourth session of the Board of Directors and the 14th meeting of the fourth session of the Supervisory Committee, and considered and passed the Proposal on the Use of Temporarily Idle Raised Funds to Conduct Cash Management, agreeing that the Company shall use the idle raised funds of up to RMB2.7 billion (inclusive) in cash management products under the condition that such utilisation does not impact the progress of the capital investment plan, disrupt normal business operations, or compromise fund security. The funds will be invested in highly secure, liquid, and principal-protected financial instruments, including but not limited to principal guaranteed structured deposits, time deposits, large denomination certificates of deposit, and call deposits, with a usage period not exceeding 12 months. The details are subject to the resolution of the Board of Directors.

4. *Other*

☐ Applicable ☒ Not applicable

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

XV. TAX AND TAX REDUCTION AND EXEMPTION

Cash dividend income tax applicable to overseas shareholders

Withholding and Payment of EIT on behalf of Overseas Non-Resident Enterprise Shareholders

Pursuant to the applicable provisions of the *Enterprise Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the *Notice on the Issues Concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H share holders Who Are Overseas Non-resident Enterprises* (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》)(國稅函[2008]897號)) issued by the State Administration of Taxation, the Company will withhold and pay EIT at the rate of 10% when it distributes the cash dividend to overseas non-resident enterprise holders of H Shares (including any H Shares of the Company registered in the name of HKSCC Nominees Limited, but excluding any H Shares of the Company registered in the name of HKSCC Nominees Limited and are held by China Securities Depository and Clearing Corporation Limited as nominee shareholder on behalf of investors who invest in the H shares of the Company through Shanghai-Hong Kong Stock Connect).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholders

Pursuant to the applicable provisions of the *Individual Income Tax Law of the People's Republic of China* (《中華人民共和國個人所得稅法》) and its implementing rules, the *Tax Notice* (《稅收通知》), the *Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045* (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》)(國稅函[2011]348號)) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H shareholders:

- For individual H shareholders who are Hong Kong or Macao residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the cash dividend;
- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the cash dividend. If relevant individual H shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the *Tax Notice*. Qualified Shareholders please submit in time a letter of entrustment and all application materials as required under the *Tax Notice* to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when the documents are approved, the Company will assist in refunding the excess amount of tax withheld and paid;

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H shareholders in the distribution of the cash dividend; and
- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H shareholders in the distribution of the cash dividend.

Cash dividend income tax applicable to shareholders in Mainland China investing in H shares of the Company through Southbound Trading Link

Withholding and Payment of Individual Income Tax on behalf of Domestic Individual Shareholders Investing through Southbound Trading Link

Shanghai-Hong Kong Stock Connect: Pursuant to the *Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Programme* (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for domestic individual shareholders who invest in H Shares of the Company through Shanghai-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend. For domestic shareholders who are securities investment funds investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend.

Shenzhen-Hong Kong Stock Connect: Pursuant to the *Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme* (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic individual shareholders who invest in H shares of the Company through Shenzhen-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend. For domestic shareholders who are securities investment funds investing in H shares of the Company through Shenzhen-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend.

SECTION VII SIGNIFICANT EVENTS (CONTINUED)

No Withholding or Payment of EIT on behalf of Domestic Enterprise Shareholders Investing through Southbound Trading Link

Shanghai-Hong Kong Stock Connect: Pursuant to the *Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Programme* (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for domestic enterprise shareholders who invest in H shares of the Company through Shanghai-Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will not withhold or pay EIT on their behalf in the distribution of the cash dividend, and the domestic enterprise shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H shares of the Company which have been continuously held by a domestic enterprise shareholder for 12 months shall be exempted from EIT.

Shenzhen-Hong Kong Stock Connect: Pursuant to the *Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme* (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic enterprise shareholders who invest in H shares of the Company through Shenzhen-Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will not withhold or pay EIT on their behalf in the distribution of the cash dividend, and the domestic enterprise shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H shares of the Company which have been continuously held by a domestic enterprise shareholder for 12 months shall be exempted from EIT.

H shareholders of the Company are recommended to consult their own tax advisors on the relevant tax impact in China, Hong Kong and other countries (regions) on the possession and disposal of H shares of the Company.

XVI. EXPLANATION ON OTHER SIGNIFICANT MATTERS THAT HAVE A SIGNIFICANT IMPACT ON THE INVESTORS' VALUE JUDGMENT AND INVESTMENT DECISIONS

☐ Applicable ☒ Not applicable

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. THE MOVEMENTS IN SHARE CAPITAL

i. Table of changes in shares

1. *Table of changes in shares*

During the Reporting Period, there were no changes in the total number of shares or the share capital structure of the Company.

2. *Explanation on changes in shares*

☐ Applicable ☒ Not applicable

3. *The impact of changes in shares on financial indicators such as earnings per share, net asset per share for the latest year and the latest period (if any)*

☐ Applicable ☒ Not applicable

4. *Other disclosable contents that the Company deemed necessary or were required by securities regulatory authorities*

☐ Applicable ☒ Not applicable

ii. Changes in shares subject to trading moratorium

☐ Applicable ☒ Not applicable

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. SECURITIES ISSUE AND LISTING

i. Issue of Securities as at the Reporting Period

☒ Applicable ☐ Not applicable

Unit: Share Currency: RMB

Type of stock or derivative securities	Issuance date	Issue price (or interest rate)	Quantity issued	Listing date	Quantity approved for listing and trading	Trading termination date
Bonds (including enterprise bonds, corporate bonds, and debt financing instruments for non-financial enterprises)						
CRSC YK01	6 December 2024 – 9 December 2024	2.20%	1,500,000,000	12 December 2024	1,500,000,000	8 December 2029
CRSC YK02	6 December 2024 – 9 December 2024	2.40%	1,000,000,000	12 December 2024	1,000,000,000	8 December 2034

Explanation on securities issue as at the Reporting Period (for bonds with different interest rates during the duration, please specify separately):

☐ Applicable ☒ Not applicable

ii. Changes in the total number of shares and shareholders structure of the Company and changes in the Company's assets and liabilities structure

☐ Applicable ☒ Not applicable

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

III. SHAREHOLDERS AND ACTUAL CONTROLLERS

i. Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period (account)	65,200
Total number of ordinary shareholders at the end of the previous month before the disclosure date of the annual report (account)	64,547
Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (account)	N/A
Total number of shareholders of preference shares with restored voting rights at the end of the previous month before the disclosure date of the annual report (account)	N/A
Total number of shareholders holding special voting shares as at the end of the Reporting Period (account)	N/A
Total number of shareholders holding special voting shares at the end of the previous month before the disclosure date of the annual report (account)	N/A

Note: The total number of ordinary shareholders (65,200) as of the end of the Reporting Period is the total number of A-shareholders; in addition, the Company has another 212 H-shareholders.

Number of depositary receipt holders

☐ Applicable ☒ Not applicable

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

ii. Particulars of Shareholdings of the Top Ten Shareholders and the Top Ten Shareholders of Circulating Shares (or Shareholders Not Subject to Trading Moratorium) as at the End of the Reporting Period

Unit: Share

Particulars of Shareholdings of the Top Ten Shareholders (Excluding Shares Lent Through Refinancing)

Name of shareholder (Full name)	Change of shareholding during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading moratorium	Shares pledged, marked, or frozen	Share status	Shareholder's nature
China Railway Signal and Communication (Group) Corporation Limited ^{note 1}	+7,422,576	6,614,216,000	62.46	0	None		– State-owned legal person
HKSCC NOMINEES LIMITED ^{note 2}	+38,000	1,967,794,950	18.58	0	Unknown		– Overseas legal person
China Merchants Securities Co., Ltd.-ChinaAMC SSE STAR 50 ETF	-44,775,467	170,980,150	1.61	0	Unknown		– Other
Hong Kong Securities Clearing Company Ltd. (HKSCC)	-1,971,614	157,002,384	1.48	0	Unknown		– Other
Industrial and Commercial Bank of China Limited-E Fund SSE STAR 50 ETF	+35,953,308	108,232,576	1.02	0	Unknown		– Other
China National Machinery Industry Co., Ltd.	0	63,507,192	0.60	0	Unknown		– State-owned legal person
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-Traded Fund	+44,562,932	44,562,932	0.42	0	Unknown		– Other
China Railway Investment Co., Ltd.	0	34,188,000	0.32	0	Unknown		– State-owned legal person
National Social Security Fund 110 Portfolio	+33,143,164	33,143,164	0.31	0	Unknown		– Other
China Construction Bank Corporation – E Fund CSI 300 Exchange-Traded Fund (Initiator)	+30,813,187	30,813,187	0.29	0	Unknown		– Other

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Excluding Shares Lent Through Refinancing)

Name of shareholder	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Amounts
China Railway Signal and Communication (Group) Corporation Limited	6,614,216,000	RMB ordinary shares	6,614,216,000
HKSCC NOMINEES LIMITED	1,967,794,950	Overseas-listed foreign shares	1,967,794,950
China Merchants Securities Co., Ltd.-ChinaAMC SSE STAR 50 ETF	170,980,150	RMB ordinary shares	170,980,150
Hong Kong Securities Clearing Company Ltd. (HKSCC)	157,002,384	RMB ordinary shares	157,002,384
Industrial and Commercial Bank of China Limited-E Fund SSE STAR 50 ETF	108,232,576	RMB ordinary shares	108,232,576
China National Machinery Industry Co., Ltd.	63,507,192	RMB ordinary shares	63,507,192
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-Traded Fund	44,562,932	RMB ordinary shares	44,562,932
China Railway Investment Group Co., Ltd.	34,188,000	RMB ordinary shares	34,188,000
National Social Security Fund 110 Portfolio	33,143,164	RMB ordinary shares	33,143,164
China Construction Bank Corporation – E Fund CSI 300 Exchange-Traded Fund (Initiator)	30,813,187	RMB ordinary shares	30,813,187
Explanation on the special account for repurchase of the top ten shareholders	–		
Explanation on the above shareholders who entrusted, be entrusted with or waived voting rights	–		
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders		China Railway Signal and Communication (Group) Corporation Limited, the largest shareholder, does not have any related party relationship with the other shareholders nor is it a person acting in concert with them. The Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.	
Explanation on the shareholders of preference shares with restored voting right and their shareholdings	–		

Note 1: As of 31 December 2024, apart from 6,614,216,000 A shares, China Railway Signal and Communication (Group) Corporation Limited also holds 34,302,000 H shares of the Company.

Note 2: H shares held by HKSCC NOMINEES LIMITED are held on behalf of various clients.

Note 3: Apart from information set out in note 1 and note 2, shares held by shareholders in the table above are all A shares of the Company.

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

Particulars of shareholders holding more than 5%, the top ten shareholders, and the top ten shareholders of circulating shares held not subject to trading moratorium lent through refinancing.

☐ Applicable ☒ Not applicable

The changes in the top ten shareholders and the top ten shareholders of circulating shares held not subject to trading moratorium compared to the previous period due to lending through refinancing/repurchase transactions.

☐ Applicable ☒ Not applicable

The shareholdings of the top ten Shareholders subject to trading moratorium and conditions of such trading moratorium

☐ Applicable ☒ Not applicable

Particulars of the top ten domestic depositary receipt holders of the Company as at the end of the Reporting Period

☐ Applicable ☒ Not applicable

Particulars of holders of depositary receipts holding more than 5%, the top ten holders of depositary receipts, and the top ten holders of tradable unrestricted depositary receipts participating in the share lending business through refinancing.

☒ Applicable ☐ Not applicable

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

Shareholders holding more than 5% of shares, top ten shareholders and top ten shareholders with unlimited shares in circulation participating in the lending of shares in the transfer and financing business

☒ Applicable ☐ Not applicable

Name of shareholder (full name)	General and credit account holdings at the beginning of the period		Shares lent on the opening transfer facility and not yet repatriated		General and credit account holdings at the end of the period		Shares lent on the transfer facility at the end of the period and not yet repatriated	
	amount	ratio (%)	amount	ratio (%)	amount	ratio (%)	amount	ratio (%)
China Merchants Bank Co., Ltd – ChinaAMC SSE Technology and Innovation Board 50 Constituent Trading Open-End Index Securities Investment Fund	215,755,617	2.04	5,251,900	0.05	170,980,150	1.61	0	0
Industrial and Commercial Bank of China Limited – E Fund SSE Technology and Innovation Board 50 Constituent Trading Open-ended Index Securities Investment Fund	72,279,268	0.68	1,204,100	0.01	108,232,576	1.02	0	0

Changes in the top ten holders of depositary receipts and the top ten holders of tradable unrestricted depositary receipts compared to the previous period due to lending through refinancing/repurchase transactions.

☐ Applicable ☒ Not applicable

Number of holdings of the top ten holders of depositary receipts subject to trading moratorium and conditions of such trading moratorium

☐ Applicable ☒ Not applicable

iii. Particulars of the top ten shareholders with voting rights as at the end of the Reporting Period

☐ Applicable ☒ Not applicable

iv. Strategic investors or general legal persons who become top ten shareholders due to the placing of new shares/depositary receipts

☐ Applicable ☒ Not applicable

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

v. Strategic placement of IPO

1. *Particulars of shareholdings of the senior management and core employees participating in the strategic placement of IPO through the establishment of a special asset management plan*

☐ Applicable ☒ Not applicable

Unit: Share

Name of Shareholder/holder	Number of Allocated Shares/ Depositary Receipts	Time of Public Offering	Changes of Number in the Reporting Period	Number of Holdings of Shares/Depositary Receipts including Those Lent Through Refinancing at the End of the Reporting Period
CICC-Guangfa Bank-CICC Feng Zhong No. 1 collective assets management plan for employee participation in STAR MARKET strategic allotment	18,901,500	22 July 2020	-1,344,265	1,633,498
CICC-Guangfa Bank-CICC Feng Zhong No. 2 collective assets management plan for employee participation in STAR MARKET strategic allotment	44,713,112	22 July 2020	-1,233,856	3,714,935
CICC-Guangfa Bank-CICC Feng Zhong No. 3 collective assets management plan for employee participation in STAR MARKET strategic allotment	34,227,038	22 July 2020	-1,235,520	3,754,225
CICC-Guangfa Bank-CICC Feng Zhong No. 4 collective assets management plan for employee participation in STAR MARKET strategic allotment	1,621,102	22 July 2020	-205,847	209,675
CICC-Guangfa Bank-CICC Feng Zhong No. 5 collective assets management plan for employee participation in STAR MARKET strategic allotment	9,270,248	22 July 2020	-567,362	1,032,706

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

2. Particulars of shareholdings of relevant subsidiaries of sponsors participating in the strategic placement of IPO

☒ Applicable ☐ Not applicable

Unit: Share

Name of Shareholder	Relationship with the sponsor	Number of Allocated Shares/ Depository Receipts	Time of Public Offering	Changes of Number in the Reporting Period	Number of Holdings of Shares/ Depository Receipts including Those Lent Through Refinancing at the End of the Reporting Period	
China CICC Wealth Management Securities Company Limited (Formerly known as China Investment Securities Company Limited)	A wholly-owned subsidiary of the sponsor	36,000,000	22 July 2021	–		–

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

vi. Interests and short positions of substantial shareholders in shares and underlying shares of the Company

As at 31 December 2024, so far as is known to the Directors, the following persons (other than the directors, the supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Class of Shares	Capacity	Number of Shares Held	Approximate Percentage of Shares in the Relevant Class of Shares of the Company	Approximate percentage of shares in the total issued shares of the Company
China Railway Signal and Communication (Group) Corporation Limited	A shares	Beneficial owner	6,604,426,424 (Long position)	76.61%	62.37%
Shanghai Zhenhua Heavy Industries Co., Ltd. ⁽¹⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited ⁽¹⁾	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Investment (Hong Kong) Limited ⁽²⁾	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Engineering Corporation ⁽²⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Limited ⁽²⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway International Group Co., Limited ⁽²⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
Shanghai Ningquan Asset Management Co., Ltd. (上海寧泉資產管理有限公司)	H shares	Investment manager	216,257,000 (Long position)	10.98%	2.04%

Notes:

As at 31 December 2024, the number of issued shares of the Company was 10,589,819,000 shares, of which 1,968,801,000 shares were H shares and 8,621,018,000 shares were A shares.

1. Shanghai Zhenhua Heavy Industries Co., Ltd. had interests in such shares through Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited.
2. China Railway Engineering Corporation had interests in such shares through China Railway Group Limited, China Railway International Group Co., Limited and China Railway Group Investment (Hong Kong) Limited.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any persons (other than the directors, the supervisors or chief executives of the Company) who had interests and/or short positions in the shares and/or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

IV. THE CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

i. Controlling shareholder

1. Legal person

☒ Applicable ☐ Not applicable

Name	China Railway Signal and Communication (Group) Corporation Limited
Leader or legal representative	LOU Qiliang
Date of establishment	7 January 1984
Main business	Business scope: Dispatching expatriate labour required to undertake overseas projects that are compatible with the company's strength, scale, and performance; production of railway (including subway) equipment used in communications, signals, electricity, and automatic control; scientific research, survey, design, installation and construction of the aforesaid projects, as well as construction of supporting projects thereof; import and export businesses; contracting overseas railways and electricity projects and international tender projects in PRC; contracting survey, consultation, design and supervision of the afore-said overseas projects; survey, design, installation, construction and ancillary building construction of communication, signal, electricity, and automatic control projects of roadway traffic, airport, port, industrial and mining enterprises; technical consultation and technical services related to the aforesaid projects; leasing of the equipment and self-owned building. (Enterprises can freely choose the operating projects and carry out business activities according to laws; projects subject to approval according to laws shall be launched to carry out business activities with approval of the competent authorities and based on the content of the approval; business activities of the forbidden and restricted projects as required by the municipal industry policies are not allowed.)
Equity in other domestic and overseas listed companies controlled and invested during the Reporting Period	China Railway Signal and Communication (Group) Corporation Limited holds RMB36,686,852 ordinary shares of Tianjin Keyvia Electric Co., Ltd. (stock code: 300407). The shareholding percentage is 11.53%. China Railway Signal and Communication (Group) Corporation Limited holds RMB34,843,206 ordinary shares of China Railway Construction Heavy Industry Co., Ltd. (stock code: 688425). The shareholding percentage is 0.65%. China Railway Signal and Communication (Group) Corporation Limited holds 31,055,900 RMB ordinary shares of Power Construction Corporation of China, Ltd. (stock code: 601669). The shareholding percentage is 0.18%.

Other explanations

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

2. Natural person

☐ Applicable ☒ Not applicable

3. Special explanation for absence of the Company's controlling shareholder

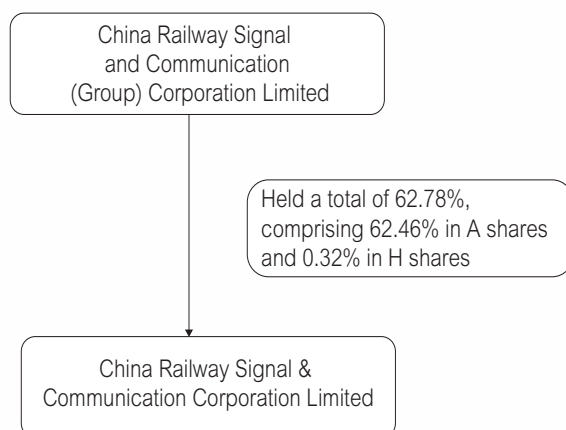
☐ Applicable ☒ Not applicable

4. Explanation for changes in controlling shareholder during the Reporting Period

☐ Applicable ☒ Not applicable

5. Diagram of the property rights and control relationship between the Company and the controlling shareholder

☒ Applicable ☐ Not applicable



ii. Actual controller

1. Legal person

☐ Applicable ☒ Not applicable

Actual controller of the Company – State-owned Assets Supervision and Administration Commission of the State Council, which is a ministry-level institution directly under the State Council set up in accordance with the Institutional Reform Plan of the State Council and the Notice of the State Council on Establishment of Institutions passed at the First Session of the 10th National People's Congress. The State-owned Assets Supervision and Administration Commission is authorised by the State Council to perform its duties as an investor on behalf of the State. The scope of supervision of the State-owned Assets Supervision and Administration Commission extends to the state-owned assets of central government owned enterprises (excluding financial enterprises).

SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

2. Natural person

☐ Applicable ☒ Not applicable

3. Special explanation for absence of the Company's actual controller

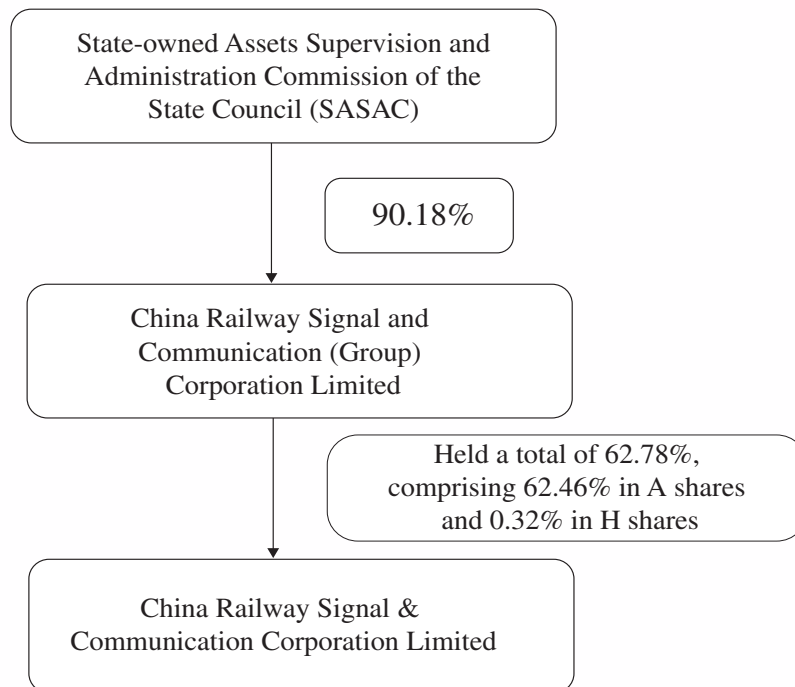
☐ Applicable ☒ Not applicable

4. Explanation for changes in control of the Company during the Reporting Period

☐ Applicable ☒ Not applicable

5. Diagram of the property rights and control relationship between the Company and the actual controller

☒ Applicable ☐ Not applicable



SECTION VIII CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

6. The control of the Company by the actual controller through trust or other asset management methods

☐ Applicable ☒ Not applicable

iii. Other Information about the Controlling Shareholder and the Actual Controller

☐ Applicable ☒ Not applicable

V. THE CUMULATIVE NUMBER OF PLEDGED SHARES OF THE CONTROLLING SHAREHOLDERS OR THE LARGEST SHAREHOLDER OF THE COMPANY AND THE PERSON ACTING IN CONCERT WITH THEM ACCOUNTS FOR MORE THAN 80% OF THE SHARES OF THE COMPANY HELD BY THEM

☐ Applicable ☒ Not applicable

VI. OTHER LEGAL PERSON HOLDING MORE THAN 10% OF THE SHARES

☐ Applicable ☒ Not applicable

VII. EXPLANATION OF RESTRICTIONS ON REDUCTION OF HOLDING OF SHARES/DEPOSITARY RECEIPTS

☐ Applicable ☒ Not applicable

VIII. IMPLEMENTATION OF THE SHARE REPURCHASE DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

Save as disclosed herein, during the reporting period, the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities (including sales of treasury shares (as defined in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange)) under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. As of 31 December 2024, the Company did not hold any treasury shares.

SECTION IX PARTICULARS OF PREFERENCE SHARES

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS

I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS) AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

☒ Applicable ☐ Not applicable

i. Corporate bonds (including enterprise bonds)

☒ Applicable ☐ Not applicable

1. Basic information of corporate bonds

Unit: Yuan Currency: RMB

Bond name	Abbreviation	Code	Issue date	Interest start date	Next put option		Interest rate (%)	Repayment method	Trading venue	Lead underwriters	Trustee	Investor suitability arrangement (if any)	Trading mechanism	Risk of delisting
					date after 30 April 2025	Maturity date								
Public offering of technology innovation renewable corporate bonds of China Railway Signal & Communication Corporation Limited to professional investors in 2024 (first tranche) (variety one)	CRSC YK01	2420978H	6 December 2024 to 9 December 2024	9 December 2024	9 December 2029	9 December 2029	2.2	Interest Payment: If the issuer does not exercise the right to defer interest payments, the bond will accrue simple interest, and interest will be paid annually. Redemption Amount: If the issuer chooses to redeem the bond in full in any renewal year of the bond's renewal option, the principal will be repaid in full.	Shanghai Stock Exchange	GuChina Reform Securities Co., Ltd., CITIC Securities Co., Ltd.	GuChina Reform Securities Co., Ltd.	Qualified Investors	Matched Transaction, Click Transaction, Inquiry Transaction, Auction Transaction, Negotiated Transaction	No

SECTION X PARTICULARS OF BONDS (CONTINUED)

Bond name	Abbreviation	Code	Issue date	Interest start date	Next put option date after 30 April 2025	Maturity date	Bond balance	Interest rate (%)	Repayment method	Trading venue	Lead underwriters	Trustee	Investor suitability arrangement (if any)	Trading mechanism	Risk of delisting
Public offering of technology innovation renewable corporate bonds of China Railway Signal & Communication Corporation to professional investors in 2024 (First Tranche) (Variety Two)	CRSC YK02	242098.SH	6 December 2024 to 9 December 2024	9 December 2024	9 December 2024	9 December 2034	1,000,000,000.00	2.4	Interest Payment: If the issuer does not exercise the right to defer interest payments, the bond will accrue simple interest, and interest will be paid annually. Redemption Amount: If the issuer chooses to redeem the bond in full in any renewal year of the bond's renewal option, the principal will be repaid in full.	Shanghai Stock Exchange	Gu China Reform Co., Ltd., CITIC Securities Co., Ltd.	GuChina Reform Securities Co., Ltd.	Qualified Investors	Matched Transaction, Click Transaction, Inquiry Transaction, Auction Transaction, Negotiated Transaction	No

SECTION X PARTICULARS OF BONDS (CONTINUED)

Measures adopted by the Company for the risk of terminating the public offering of bonds

☐ Applicable ☒ Not applicable

Overdue and outstanding bonds

☐ Applicable ☒ Not applicable

2. ***The triggering and implementation of the corporate or investor option terms and the investor protection terms***

☐ Applicable ☒ Not applicable

3. ***Intermediaries providing services for bond issuance and business subsisting***

Name of intermediary	Address	Name of the signing accountant	Contact person(s)	Contact number
China Reform Securities Co., Ltd.	PICC Life Insurance Building, No. 18 Chaoyangmen North Street, Chaoyang District, Beijing	N/A	ZHONG Ruqian	010-85556311
China Securities Co., Ltd	Taikang Group Building, Building 1, No. 16 Jinghui Street, Chaoyang District, Beijing	N/A	GUO Yongxing	010-56051910
Zhong Lun Law Firm	22-31/F, Building 3, South Tower of CP Centre, No. 20 Jin He East Avenue, Chaoyang District, Beijing	N/A	CHENG Jinsong	010-59572288
BDO China Shu Lun Pan Certified Public Accountants LLP	17-20/F, Tower A, China Overseas International Centre, Building 7, No. 5 Anding Road, Chaoyang District, Beijing	GUO Jian, WANG Xiaoyan	LU Jiayu	010-56730088
Ernst & Young Hua Ming LLP (Special General Partnership)	Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing	ZHANG Xiaoliang, HE Qiongy	ZHANG Xiaoliang	010-58153000
Dagong Global Credit Rating Co., Ltd.	3/F-01, No. 89 West Third Ring North Road, Haidian District, Beijing	N/A	WANG Yaqian	010-67413300

Changes in the above intermediaries

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

4. *Adjustment of credit rating results*

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

5. *Implementation and changes in guarantees, debt repayment plans and other repayment guarantees during the Reporting Period and their impact*

☐ Applicable ☒ Not applicable

ii. Corporate bond fundraising

☒ The corporate bonds involved the use or rectification of proceeds during the Reporting Period. ☐ None of the Company's bonds involved the use or rectification of proceeds during the Reporting Period.

1. *Basic Information*

Unit: RMB100 million Currency: RMB

Bond code	Bond abbreviation	Special purpose bond	Type of special purpose bond	Total amount of proceeds	Balance of proceeds at the end of the Reporting Period	Balance of special account for proceeds at the end of the Reporting Period
242097. SH	CRSC YK01	Yes	Technology Innovation Renewable Corporate Bond	15.00	0.00	0.00
242098. SH	CRSC YK02	Yes	Technology Innovation Renewable Corporate Bond	10.00	0.00	0.00

2. *Changes or adjustments to the use of proceeds*

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

3. Use of proceeds

(1) Actual use (excluding temporary supplementation of working capital)

Unit: RMB100 million Currency: RMB

Bond code	Bond abbreviation	Actual amount of proceeds used during the Reporting Period	Repayment of interest-bearing debt (excluding corporate bonds) and amount	Repayment of corporate bonds and amount	Supplementation of working capital and amount	Investment in fixed asset projects and the amounts involved	Other uses and the amounts involved
242097. SH	CRSC YK01	15.00	15.00	0.00	0.00	0.00	0.00
242098. SH	CRSC YK02	10.00	10.00	0.00	0.00	0.00	0.00

(2) Use of proceeds for specific projects

☐ Applicable ☒ Not applicable

(3) Temporary supplementation of working capital

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

4. *Compliance in the use of proceeds*

Bond code	Bond abbreviation	Actual use of proceeds by the end of the Reporting Period (including actual use and temporary supplementation)	Whether actual use is consistent with intended use (as stated in the offering circular or after compliance-based changes)	Whether the use of proceeds and management of special account during the Reporting Period is compliant	Whether the use of proceeds complies with local government debt management regulations
242097. SH	CRSC YK01	After deducting issuance expenses, the funds are intended for repayment of interest-bearing debt	Yes	Yes	Yes
242098. SH	CRSC YK02	After deducting issuance expenses, the funds are intended for repayment of interest-bearing debt	Yes	Yes	Yes

Illegal or non-compliant use of proceeds or management of proceeds account:

☐ Applicable ☒ Not applicable

Penalties or disciplinary actions due to non-compliant use of proceeds:

☐ Applicable ☒ Not applicable

iii. **Other matters to be disclosed for special purpose corporate bonds**

☒ Applicable ☐ Not applicable

1. ***The Company is an issuer of exchangeable corporate bonds:***

☐ Applicable ☒ Not applicable

2. ***The Company is an issuer of green corporate bonds:***

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

3. The Company is an issuer of renewable corporate bonds:

☒ Applicable ☐ Not applicable

Unit: RMB100 million Currency: RMB

Bond code	242097. SH, 242098. SH
Bond abbreviation	CRSC YK01, CRSC YK02
Outstanding balance	25.00
Renewal status	Not applicable
Step-up interest rate	Not applicable
Interest deferral	Not applicable
Mandatory interest payment	Not applicable
Whether still recognised as equity and related accounting treatment	Classified as other equity instruments
Other matters	Not applicable

4. The Company is an issuer of poverty alleviation corporate bonds:

☐ Applicable ☒ Not applicable

5. The Company is an issuer of rural revitalisation corporate bonds:

☐ Applicable ☒ Not applicable

6. The Company is an issuer of Belt and Road corporate bonds:

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

7. The Company is an issuer of technology innovation or innovation and entrepreneurship corporate bonds:

☒ Applicable ☐ Not applicable

Unit: RMB100 million Currency: RMB

Bond code	242097. SH, 242098. SH
Bond abbreviation	CRSC YK01, CRSC YK02
Outstanding balance	25.00
Project progress related to technology innovation	Not applicable
Outcomes supporting technological innovation development	Not applicable
Operation of fund products (if any)	Not applicable
Other matters	Not applicable

8. The Company is an issuer of low-carbon transition (linked) corporate bonds:

☐ Applicable ☒ Not applicable

9. The Company is an issuer of relief corporate bonds:

☐ Applicable ☒ Not applicable

10. The Company is an issuer of SME-support corporate bonds:

☐ Applicable ☒ Not applicable

11. Other matters related to special purpose corporate bonds:

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

iv. Other important matters related to corporate bonds during the Reporting Period

☒ Applicable ☐ Not applicable

1. **Non-operational fund occupation and fund lending**

(1) *Balance of non-operational fund occupation and fund lending*

At the beginning of the Reporting Period, the balance of non-operational fund occupation and fund lending (i.e., receivables not directly arising from production or operations) under the consolidated statement of the Company was: RMB0

During the Reporting Period, whether the Company violated provisions or commitments in the offering circular concerning non-operational fund occupation or fund lending:

☐ Yes ☒ No

At the end of the Reporting Period, the total unrecovered non-operational fund occupation and fund lending was: RMB0

(2) *Details of non-operational fund occupation and fund lending*

At the end of the Reporting Period, the ratio of unrecovered non-operational fund occupation and fund lending to consolidated net assets was: 0%

Whether it exceeded 10% of consolidated net assets:

☐ Yes ☒ No

(3) *Execution of the repayment arrangements disclosed in reporting periods*

☒ Fully executed ☐ Not fully executed

SECTION X PARTICULARS OF BONDS (CONTINUED)

2. Liabilities

(1) Interest-bearing debt and its changes

1.1 Company-level debt structure (standalone, non-consolidated)

At the beginning and end of the Reporting Period, the Company's (non-consolidated) interest-bearing debt balances were RMB2.001 billion and RMB2 billion respectively, representing a year-on-year change of -0.02%.

Unit: RMB100 million Currency: RMB

Interest-bearing debt category	Due Date			Total amount	Percentage of total interest-bearing debt (%)
	Overdue	Within 1 Year (inclusive)	Over 1 Year (exclusive)		
Company credit bonds	—	—	—	—	—
Bank loans	—	20	—	20	100%
Non-bank financial institution loans	—	—	—	—	—
Other interest-bearing debts	—	—	—	—	—
Total	—	20	—	20	—

As of the end of the Reporting Period, the Company had an outstanding balance of RMB0 in corporate credit bonds, enterprise bonds, and non-financial enterprise debt financing instruments, and there were no corporate credit bonds maturing or subject to put redemption between May and December 2025.

SECTION X PARTICULARS OF BONDS (CONTINUED)

1.2 Consolidated interest-bearing debt structure

At the beginning and end of the Reporting Period, the interest-bearing debt balances within the Company's consolidated scope were RMB5.905 billion and RMB3.707 billion respectively, representing a year-on-year change of -37.23%.

Unit: RMB100 million Currency: RMB

Interest-bearing debt category	Due date		Total amount	Percentage of total interest-bearing debt (%)
	Overdue	Within 1 year (inclusive)	Over 1 year (exclusive)	
Company credit bonds	–	–	–	–
Bank loans	–	2.59	33.34	96.92%
Non-bank financial institution loans	–	–	–	–
Other interest-bearing debts	–	0.36	0.78	3.08%
Total	–	2.95	34.12	37.07

As of the end of the Reporting Period, within the Company's consolidated scope, the balance of corporate bonds and enterprise bonds was RMB0, and the balance of non-financial enterprise debt financing instruments was RMB114 million. No corporate credit bonds are due for maturity or put redemption between May and December 2025.

1.3 Offshore bond status

As of the end of the Reporting Period, the Company had no outstanding offshore bonds within its consolidated scope, and no offshore bonds maturing between May and December 2025.

SECTION X PARTICULARS OF BONDS (CONTINUED)

- (1) *Interest-bearing debt or corporate credit bond defaults over RMB10 million by the Company or its subsidiaries as of the end of the Reporting Period*

None reported.

☐ Applicable ☒ Not applicable

- (2) *Major liabilities and reasons for changes*

Unit: RMB100 million Currency: RMB

Liability item	Ending balance (this period)	Balance at end of 2023	Change (%)	Explanation for changes over 30%
Short-term borrowings	1.43	24.52	-94.15	Mainly due to the repayment of RMB2 billion loan by the parent company.
Accounts payable	427.36	496.70	-13.96	–
Contract liabilities	102.61	78.26	31.12	Mainly due to an increase in settled but uncompleted projects.
Customer deposits and interbank placements	30.01	1.38	2,074.09	Mainly due to an increase in deposits from CRSC Group absorbed by the finance company.

- (3) *Priority payable liabilities opposable to third parties*

As of the end of the Reporting Period, the Company had priority payable liabilities within the consolidated scope that are opposable to third parties:

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

v. Debt financing instruments for non-financial enterprises in the interbank bond

☒ Applicable ☐ Not applicable

1. Basic Information on Debt Financing Instruments for Non-Financial Enterprises

Unit: Yuan Currency: RMB

Bond Name	Acronyms	Coding	Starting Date Of		Maturity	Bond Balance	Interest		Trading Floor	Investor Suitability Arrangements (If Any)	Trading Mechanisms	Whether there is a risk of termination of listing and trading
			Release Date	Interest Rate			Rate	Debt Service				
China Railway Communication Signal Corporation Limited 2021 First Medium Term Note	21 CRSCMTN001	102103265.IB	15 December 2021	16 December 2021	3+N (3) year term, long lived until agreed redemption by the issuer in accordance with the terms of issue and maturing upon agreed redemption by the issuer in accordance with the terms of issue.	2,800,000,000.00	3.32	Interest payment method: simple interest accrues annually and is not compounded. If the Company does not exercise the interest deferral option, interest will be paid annually; if the Company exercises the interest deferral option, the interest for the current period, as well as all interest and its fruits that have been deferred, will be deferred to the next interest payment date, and each deferred interest shall accrue interest at the current coupon rate during the deferral period. The last instalment of interest shall be paid together with the principal. Repayment of principal: Payment of the principal together with the last instalment of interest is due upon redemption by the issuer in accordance with the terms of issue.	Interbank market	For qualified institutional investors in the national interbank bond market (except for those whose purchases are prohibited by national laws and regulations), in accordance with the relevant regulations promulgated by the National Interbank Lending Centre.	Transactions are concluded with counterparties on a deal-by-deal basis by way of request for quotations through the local currency trading system of the Foreign Exchange Trading Centre in the interbank market.	No

Company's response to the risk of termination of listing and trading of bonds

☐ Applicable ☒ Not applicable

Overdue bonds

☐ Applicable ☒ Not applicable

Payment of interest on bonds during the reporting period

☒ Applicable ☐ Not applicable

Bond Name

Explanation of the status of interest payments

China Railway Communication Signal Corporation Limited 2021 First Medium Term Note

On 16 December 2024, the first tranche of medium-term notes for the year 2021 of China Railway Communication Signal Company Limited was due for exercise and payment.

SECTION X PARTICULARS OF BONDS (CONTINUED)

2. *Triggering and enforcement of Company or investor option clauses, investor protection clauses*

☐ Applicable ☒ Not applicable

3. *Intermediaries providing services for bond issuance and duration operations*

Name of intermediary organization	Business address	Name of signatory accountant	Contact person(s)	Contact number
China Merchants Securities Company Ltd.	17/F, Building 3, No.1 Yuetan South Street, Xicheng District, Beijing, China	NA	Rong Xi, Zhao Yan	010-57601901
China Everbright Bank Limited	China Everbright Center, 25 Taipingqiao Street, Xicheng District, Beijing, China	NA	Jiang Shasha	010-63639651
Beijing Zhonglun Law Firm	23-31/F, South Tower, Building 3, Zhengda Center, No. 20 Jinhe East Road, Chaoyang District, Beijing, China	NA	Yuan Ting, Ma Sicong	010-59572288
Ernst & Young Hua Ming Accounting Firm (Special General Partnership)	Room 01-12, 17th Floor, Ernst & Young Building, Oriental Plaza, No. 1 East Chang'an Street, Dongcheng District, Beijing, China	NA	Zhang Xiaoliang	010-58153960
Dagong Global Credit Rating Co. Ltd.	3F-01, No.89 North Xisanhuan Road, Haidian District, Beijing, China	NA	Ge Ling	010-67413300
Lixin Accounting Firm (Special General Partnership)	20F, Tower A, Zhonghai International Center, Building 7, No.5 Road, Chaoyang District, Beijing, China.	NA	Guo Jian, Wang Xiaoyan	010-56730214

Changes in the above intermediaries

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

4. Utilization of Proceeds at the end of the Reporting Period

☐ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Bond Name	Total amount of funds raised	Amount utilized	Unutilized amount	Operation of the special account for collection of funds (if any)	Rectification of irregular use of proceeds (if any)	Whether it is consistent with the purpose, utilization plan and other agreements promised in the offering prospectus
China Railway Communications Signal Corporation Limited First Medium-term Notes for the Year 2021	2,800,000,000	2,800,000,000	-	inapplicable	inapplicable	be

Note: The total amount raised from the debt financing instruments was RMB2.8 billion, and the net proceeds after deducting the issuance-related expenses amounted to RMB2,797.03 million.

Progress and operational benefits of the construction projects for which the proceeds were utilized

☐ Applicable ☒ Not applicable

Explanation of changes in the use of proceeds from the above bonds during the reporting period

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

5. *Adjustments to credit rating results*

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

6. *Implementation and changes in guarantees, debt-servicing plans and other debt-servicing safeguards during the reporting period and their impacts*

☐ Applicable ☒ Not applicable

7. *Description of other non-financial corporate debt financing instruments*

☐ Applicable ☒ Not applicable

vi. *Losses in the consolidated statements exceeding 10% of the net assets as at the end of the previous year during the Reporting Period*

☐ Applicable ☒ Not applicable

vii. *Default on payment of interest-bearing debts excluding bonds as at the end of the Reporting Period*

☐ Applicable ☒ Not applicable

SECTION X PARTICULARS OF BONDS (CONTINUED)

- viii. **Influence of violations of laws and regulations, the Articles of Association, the management system for information disclosure, and the agreements or undertakings in the bond prospectus on the rights and interests of bond investors during the Reporting Period**

☐ Applicable ☒ Not applicable

- ix. **Accounting data and financial indicators of the Company for the last two years as of the end of the Reporting Period**

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Major indicators	2024	2023	Change as compared with the corresponding period of last year (%)	Reason of changes
Net profits attributable to shareholders of the listed company after deducting non-recurring profit and loss	3,268,375,928.61	3,266,204,579.74	0.07	/
Current ratio	1.44	1.40	0.04	/
Quick ratio	0.84	0.74	0.10	/
Gearing ratio (%)	57.22	58.93	-1.71	/
Debt-to-EBITDA ratio	1.58	0.98	0.61	/
Interest coverage ratio	125.08	62.74	62.34	/
Cash interest coverage ratio	156.51	36.89	119.63	/
EBITDA interest coverage ratio	144.88	72.73	72.15	/
Loan repayment ratio (%)	100.00	100.00	-	
Interest coverage ratio (%)	100.00	100.00	-	

II. CONVERTIBLE COMPANY DEBENTURES

☐ Applicable ☒ Not applicable

SECTION XI FINANCIAL REPORT

I. AUDIT REPORT

☒ Applicable ☐ Not Applicable

AUDITOR'S REPORT

Xin Kuai Shi Bao Zi [2025] No. ZG 10569

To the Shareholders of China Railway Signal & Communication Corporation Limited:

I. Opinion

We have audited the accompanying financial statements of China Railway Signal & Communication Corporation Limited ("CRSC"), which comprise the consolidated and company's balance sheets as at 31 December 2024, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2024 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CRSC in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

SECTION XI FINANCIAL REPORT (CONTINUED)

AUDIT REPORT (CONTINUED)

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
<i>(I) Recognition of revenue</i>	Method of audit
The revenue of CRSC is mainly derived from construction contracts for which CRSC recognises revenue according to performance progress. Recognition of revenue in accordance with performance progress may involve significant Management judgements and estimates, including estimated contract revenue, estimated contract costs, and work progress. When conditions change, the relating judgements and estimates may vary. During the execution of contracts, the Management of CRSC evaluated and revised the estimated contract revenue and estimated contract costs based on factors such as scope of contract delivery and estimated cost to completion. The recognition of revenue from construction contracts has a significant effect on financial statements.	<ol style="list-style-type: none">1. We identified, tested and evaluated the internal controls for revenue recognition of CRSC construction contracts.2. We obtained major construction contracts, reviewed key contract terms and evaluated the rationality of the Management's estimation on estimated contract revenue and estimated contract costs.3. We performed sampling inspection of relevant documents to review contract costs incurred; recalculated the performance progress and revenue based on incurred costs and estimated contract costs.4. We carried out cut-off test procedures to check whether relevant contract costs are recorded in the appropriate accounting period; and underwent an analytical review process for the gross profit margin of major construction contracts.5. We evaluated the sufficiency of the Management's disclosure of recognition of revenue from construction contracts in the financial statements.
The accounting policies and disclosure information for the recognition of revenue from construction contracts are set out in the notes "V (XXXVI)" and "VII (LXI)" of the financial statement.	

SECTION XI FINANCIAL REPORT (CONTINUED)

AUDIT REPORT (CONTINUED)

I. AUDIT REPORT (CONTINUED)

III. Key Audit Matters (Continued)

Key Audit Matters	How these matters were addressed in the audit
<p>(II) <i>Impairment of accounts receivable and contract assets</i></p> <p>CRSC recognises provision for impairment of accounts receivable and contract assets based on expected credit losses, which involves significant judgements and estimations of the Management. Specific factors considered by the Management in its recoverability analysis include ageing, customers' repayment plans, historical settlement records, credit ratings and historical repayment records, and other qualitative and quantitative data available to the Management. The Management also evaluated the expected changes in the credit risk of the debtor based on the above data combined with economic policies, macroeconomic indicators, industry risks and other factors, and considered forward-looking information. The balance of accounts receivable and contract assets of CRSC was significant, and the impairment of accounts receivable and contract assets had significant impacts on the financial statements.</p> <p>The accounting policies and disclosure information for the accounts receivable and the provision for impairment of contract assets are set out in the notes "V(XI)", "VII(V)" and "VII(VI)" of the financial statement.</p>	<p>Method of audit</p> <ol style="list-style-type: none"> 1. We tested and evaluated the internal control of accrual process of CRSC for provision for impairment of accounts receivable and contract assets. 2. We reviewed the Management's analysis and evaluation of historical data of receivables and analysis of historical settlement of contract assets, and checked relevant supporting documents for selected samples to review the accuracy of the ageing of receivables. 3. For individual recognition of impairment provision for receivables and contract assets, we understood the reasons for the Management's judgement and evaluated the rationality of the Management's impairment provision. 4. For the recognition of impairment provision for receivables and contract assets by reference to the credit risk portfolio, we reviewed the Management's settings for the credit risk portfolio, evaluated the rationality of the impairment loss rate in combination with the consideration of historical audit experience and forward-looking information, and reviewed relevant documents for the selected samples to evaluate the rationality of the Management's credit risk portfolio classification and impairment provision. 5. We evaluated the sufficiency of the Management's disclosure of provision for impairment of accounts receivable and contract assets.

SECTION XI FINANCIAL REPORT (CONTINUED)

AUDIT REPORT (CONTINUED)

I. AUDIT REPORT (CONTINUED)

IV. Other Information

Management of CRSC ("Management") is responsible for the other information. The other information comprises all of the information included in the 2024 annual report of CRSC, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CRSC's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CRSC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CRSC's financial reporting process.

SECTION XI FINANCIAL REPORT (CONTINUED)

AUDIT REPORT (CONTINUED)

I. AUDIT REPORT (CONTINUED)

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CRSC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CRSC to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

SECTION XI FINANCIAL REPORT (CONTINUED)

AUDIT REPORT (CONTINUED)

I. AUDIT REPORT (CONTINUED)

VI. Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CRSC to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO CHINA Shu Lun Pan Certified
Public Accountants LLP**

Shanghai, China

Certified Public Accountant of China:
GUO Jian
(Engagement Partner)

Certified Public Accountant of China:
WANG Xiaoyan

28 March 2025

CONSOLIDATED BALANCE SHEET

31 December 2024

II. FINANCIAL STATEMENTS

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

ITEM	Note	31 December 2024	31 December 2023
Current assets:			
Cash and bank balances	VII. (I)	22,577,015,997.32	22,574,043,702.19
Balances with clearing companies		—	—
Lending fund		—	—
Trading financial assets	VII. (II)	—	—
Held-for-trading financial assets	VII. (III)	—	—
Bills receivable	VII. (IV)	1,105,165,396.54	1,058,627,238.40
Accounts receivable	VII. (V)	26,973,365,116.63	22,875,547,606.09
Receivables for financing	VII. (VII)	775,835,849.40	972,719,326.28
Prepayments	VII. (VIII)	1,161,308,397.54	1,082,591,486.36
Premiums receivable		—	—
Reinsurance accounts receivable		—	—
Deposits receivable from reinsurance treaty		—	—
Other receivables	VII. (IX)	1,612,679,459.07	1,536,562,573.61
Including: Interest receivable		—	—
Dividends receivable		5,808,000.00	5,100,000.00
Financial assets held under resale agreements		—	—
Inventories	VII. (X)	3,453,911,412.70	3,206,183,424.85
Wherein: data resources		—	—
Contract assets	VII. (VI)	32,470,218,198.16	38,228,739,616.63
Assets held for sale	VII. (XI)	—	—
Non-current assets due within one year	VII. (XII)	149,226,076.22	63,287,188.01
Other current assets	VII. (XIII)	826,820,561.00	911,304,421.59
Total current assets		91,105,546,464.58	92,509,606,584.01

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2024

ITEM	Note	31 December 2024	31 December 2023
Non-current assets:			
Loans and advances to customers		—	—
Debt investment	VII. (XIV)	273,172,183.50	273,172,183.50
Other debt investments	VII. (XV)	—	—
Long-term receivables	VII. (XVI)	7,165,732,307.23	7,246,719,629.43
Long-term equity investments	VII. (XVII)	1,806,701,815.91	1,532,166,245.23
Other equity instrument investments	VII. (XVIII)	1,212,543,806.03	1,223,290,285.94
Other non-current financial assets	VII. (XIX)	—	—
Investment properties	VII. (XX)	348,943,627.62	335,313,226.24
Fixed assets	VII. (XXI)	4,957,256,807.77	5,122,689,100.30
Construction in progress	VII. (XXII)	809,309,770.26	400,246,410.75
Productive biological assets	VII. (XXIII)	—	—
Oil and gas assets	VII. (XXIV)	—	—
Right-of-use assets	VII. (XXV)	128,007,364.54	124,635,956.62
Intangible assets	VII. (XXVI)	2,626,900,101.76	2,587,644,292.75
Wherein: data resources		—	—
Development expenditure	VIII. (II)	154,044,752.34	179,725,096.60
Wherein: data resources		—	—
Goodwill	VII. (XXVII)	262,891,028.58	283,042,528.58
Long-term prepaid expenses	VII. (XXVIII)	36,901,102.20	55,688,360.12
Deferred tax assets	VII. (XXIX)	611,526,035.66	550,629,452.92
Other non-current assets	VII. (XXX)	6,391,398,347.15	6,565,918,378.75
Total non-current assets		26,785,329,050.55	26,480,881,147.73
Total assets		117,890,875,515.13	118,990,487,731.74

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2024

ITEM	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings	VII. (XXXII)	143,465,431.83	2,451,633,147.05
Borrowings from central bank		—	—
Placements from banks and other financial institutions		—	—
Financial liabilities held for trading	VII. (XXXIII)	—	—
Derivative financial liabilities	VII. (XXXIV)	—	—
Bills payable	VII. (XXXV)	1,775,609,143.61	1,416,353,129.31
Accounts payable	VII. (XXXVI)	42,735,743,855.81	49,669,506,699.81
Advance receipts	VII. (XXXVII)	—	—
Contract liabilities	VII. (XXXVIII)	10,260,720,800.40	7,825,651,674.51
Financial assets sold for repurchase		—	—
Customers deposits and deposits from banks and other financial institutions	VII. (XXXIX)	3,001,258,120.80	138,046,438.06
Amount paid for agency securities trading		—	—
Amount paid for agency securities underwriting		—	—
Employee benefits payable	VII. (XL)	908,745,583.60	701,016,829.27
Tax payable	VII. (XLI)	1,278,865,585.35	1,040,646,981.47
Other payables	VII. (XLII)	1,973,997,368.12	1,735,520,570.87
Including: Interest payable		—	—
Dividends payable		12,169,644.46	61,102,622.90
Fees and commissions payable		—	—
Reinsurance accounts payable		—	—
Liabilities held for sale	VII. (XLIII)	—	—
Non-current liabilities due within one year	VII. (XLIV)	189,549,251.32	438,571,680.21
Other current liabilities	VII. (XLV)	955,934,519.04	826,904,226.67
Total current liabilities		63,223,889,659.88	66,243,851,377.23

CONSOLIDATED BALANCE SHEET (CONTINUED)

31 December 2024

ITEM	Note	31 December 2024	31 December 2023
Non-current liabilities:			
Insurance contract reserve		—	—
Long-term borrowings	VII. (XLVI)	3,333,970,469.20	2,979,942,069.48
Bonds payable	VII. (XLVII)	—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities	VII. (XLVIII)	78,393,367.34	74,462,004.67
Long-term payables	VII. (XLIX)	45,383,366.45	53,338,192.06
Long-term employee benefits payable	VII. (L)	575,630,000.00	507,951,000.00
Estimated liabilities	VII. (LI)	28,012,118.60	27,113,956.19
Deferred income	VII. (LII)	120,135,472.93	173,790,666.02
Deferred tax liabilities	VII. (XXIX)	49,658,734.97	55,203,436.19
Other non-current liabilities	VII. (LIII)	—	—
Total non-current liabilities		4,231,183,529.49	3,871,801,324.61
Total liabilities		67,455,073,189.37	70,115,652,701.84
Shareholders' equity:			
Share capital	VII. (LIV)	10,589,819,000.00	10,589,819,000.00
Other equity instruments	VII. (LV)	2,500,000,000.00	2,796,935,660.38
Including: Preference shares		—	—
Perpetual bonds		2,500,000,000.00	2,796,935,660.38
Capital reserve	VII. (LVI)	15,959,738,219.63	15,964,182,695.10
Less: treasury stocks	VII. (LVII)	—	—
Other comprehensive income	VII. (LVIII)	-300,033,350.13	-203,485,689.35
Special reserve	VII. (LIX)	348,771,551.18	299,764,318.80
Surplus reserve	VII. (LX)	2,482,496,646.28	2,280,998,087.60
General risk reserve		101,496,079.94	39,397,794.27
Retained earnings	VII. (LXI)	16,342,719,229.07	15,044,440,040.06
Total equity attributable to Shareholders of the parent company		48,025,007,375.97	46,812,051,906.86
Non-controlling interests		2,410,794,949.79	2,062,783,123.04
Total Shareholders' equity		50,435,802,325.76	48,874,835,029.90
Total liabilities and Shareholders' equity		117,890,875,515.13	118,990,487,731.74

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

PARENT COMPANY'S BALANCE SHEET

31 December 2024

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

ITEM	Note	31 December 2024	31 December 2023
Current assets:			
Cash and bank balances		8,048,980,731.22	9,618,021,072.64
Held-for-trading financial assets		—	—
Derivative financial assets		—	—
Bills receivable		887,330.00	—
Accounts receivable	XX. (I)	1,376,291,632.16	1,642,075,530.34
Receivables for financing		—	86,737,718.32
Prepayments		204,119,039.99	227,165,875.59
Other receivables	XX. (II)	7,170,426,565.52	6,857,294,566.71
Including: Interest receivable		—	—
Dividends receivable		309,922,930.31	250,222,930.31
Inventories		27,260,241.98	8,367,845.69
Wherein: data resources		—	—
Contract assets		1,431,308,274.41	1,670,505,380.98
Assets held for sale		—	—
Non-current assets due within one year		59,302,900.53	864,167.38
Other current assets		94,445,348.78	86,057,502.39
Total current assets		18,413,022,064.59	20,197,089,660.04

PARENT COMPANY'S BALANCE SHEET (CONTINUED)

31 December 2024

ITEM	Note	31 December 2024	31 December 2023
Non-current assets:			
Debt investment		273,172,183.50	273,172,183.50
Other debt investments		—	—
Long-term receivables		2,155,416,819.31	2,131,932,397.90
Long-term equity investments	XX. (III)	19,893,735,946.73	19,317,502,298.16
Other equity instrument investments		515,834,914.35	501,144,899.67
Other non-current financial assets		—	—
Investment properties		1,346,561,270.16	1,384,534,865.00
Fixed assets		496,844,755.33	488,935,188.10
Construction in progress		—	9,199,876.28
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		103,083.49	891,246.41
Intangible assets		568,162,329.29	519,729,627.07
Wherein: data resources		—	—
Development expenditure		—	—
Wherein: data resources		—	—
Goodwill		—	—
Long-term prepaid expenses		—	—
Deferred tax assets		44,311,468.29	40,162,614.97
Other non-current assets		42,676,458.17	58,193,659.96
Total non-current assets		25,336,819,228.62	24,725,398,857.02
Total assets		43,749,841,293.21	44,922,488,517.06

PARENT COMPANY'S BALANCE SHEET (CONTINUED)

31 December 2024

ITEM	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term borrowings		2,000,000,000.00	2,000,000,000.00
Financial liabilities held for trading		—	—
Derivative financial liabilities		—	—
Bills payable		29,165,996.75	34,465,037.06
Accounts payable		3,349,901,616.94	4,144,369,247.93
Advance receipts		—	—
Contract liabilities		876,659,021.30	866,076,667.84
Employee benefits payable		24,925,432.09	26,471,780.36
Tax payable		4,766,041.59	9,206,960.81
Other payables		3,107,395,777.36	3,450,175,190.87
Including: Interest payable		—	—
Dividends payable		—	—
Liabilities held for sale		—	—
Non-current liabilities due within one year		399,999.98	381,189.60
Other current liabilities		56,225,501.46	34,342,454.72
Total current liabilities		9,449,439,387.47	10,565,488,529.19
Non-current liabilities:			
Long-term borrowings		—	—
Bonds payable		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities		—	418,123.25
Long-term payables		—	—
Long-term employee benefits payable		55,638,000.00	56,190,000.00
Provisions		686,646.49	686,646.49
Deferred income		4,010,494.06	4,020,017.87
Deferred tax liabilities		—	6,207,153.01
Other non-current liabilities		—	—
Total non-current liabilities		60,335,140.55	67,521,940.62
Total liabilities		9,509,774,528.02	10,633,010,469.81

PARENT COMPANY'S BALANCE SHEET (CONTINUED)

31 December 2024

ITEM	Note	31 December 2024	31 December 2023
Shareholders' equity:			
Share capital		10,589,819,000.00	10,589,819,000.00
Other equity instruments		2,500,000,000.00	2,796,935,660.38
Including: Preference shares		—	—
Perpetual bonds		2,500,000,000.00	2,796,935,660.38
Capital reserve		16,475,484,417.81	16,356,470,432.63
Less: treasury stocks		—	—
Other comprehensive income		-16,955,100.80	-26,293,082.07
Special reserve		17,065,439.52	26,363,291.27
Surplus reserve		2,482,496,646.28	2,280,998,087.60
Retained earnings		2,192,156,362.38	2,265,184,657.44
Total Shareholders' equity		34,240,066,765.19	34,289,478,047.25
Total liabilities and Shareholders' equity		43,749,841,293.21	44,922,488,517.06

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to December 2024

Unit: Yuan Currency: RMB

ITEM	Note	2024	2023
I. Total revenue		32,643,648,716.87	37,087,421,909.11
Including: Revenue	VII. (LXII)	32,473,033,766.06	37,002,229,438.89
Interest income		170,614,950.81	85,192,470.22
Premiums earned		—	—
Fees and commissions income		—	—
II. Total cost of sales		28,198,501,537.42	32,520,733,946.25
Including: Cost of sales	VII. (LXII)	22,985,410,426.71	27,521,352,667.70
Interest expenses		14,722,529.24	732,167.93
Fees and commissions expense		58,120.79	68,492.73
Surrenders		—	—
Net payments for insurance claims		—	—
Net provisions for insurance contract reserve		—	—
Policy dividend expenses		—	—
Reinsurance costs		—	—
Taxes and surcharges	VII. (LXIII)	281,850,359.93	256,690,986.90
Selling and distribution expenses	VII. (LXIV)	851,578,354.01	843,995,580.46
General and administrative expenses	VII. (LXV)	2,388,915,418.98	2,335,834,136.35
Research and development expenses	VII. (LXVI)	1,912,373,179.29	1,862,286,761.81
Finance costs	VII. (LXVII)	-236,406,851.53	-300,226,847.63
Including: Interest expenses		38,126,835.89	75,965,079.18
Interest income		306,805,350.71	422,427,842.34
Add: Other income	VII. (LXVIII)	417,774,607.65	410,647,468.42
Investment income (with "-" for loss)	VII. (LXIX)	128,583,023.70	145,006,530.06
Including: Share of profits of associates and joint ventures		115,630,269.91	119,041,378.77
Derecognition of income from financial assets at amortized cost		—	—
Foreign exchange gains (with "-" for loss)		—	—
Net gains from hedging exposure (with "-" for loss)	VII. (LXX)	—	—
Gains from changes in fair value (with "-" for loss)	VII. (LXXI)	—	—
Credit impairment losses (with "-" for loss)	VII. (LXXII)	-324,105,898.50	-445,966,775.20
Assets impairment losses (with "-" for loss)	VII. (LXXIII)	-22,109,209.59	-15,597,119.37
Gains from disposal of assets (with "-" for loss)	VII. (LXXIV)	42,198,751.70	63,696.54

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

January to December 2024

ITEM	Note	2024	2023
III. Operating profit (with "-" for loss)		4,687,488,454.41	4,660,841,763.31
Add: Non-operating income	VII. (LXXV)	55,836,270.00	39,131,903.49
Less: Non-operating expenses	VII. (LXXVI)	12,543,268.29	9,688,065.04
IV. Total profits (with "-" for total losses)		4,730,781,456.12	4,690,285,601.76
Less: Income tax expenses	VII. (LXXVII)	661,836,908.15	675,450,919.54
V. Net profit (with "-" for net loss)		4,068,944,547.97	4,014,834,682.22
(I) Classified by continuity of operation			
1. Net profit from continuing operations (with "-" for net loss)		4,068,944,547.97	4,014,834,682.22
2. Net profit from discontinued operations (with "-" for net loss)		—	—
(II) Classified by the ownership			
1. Net profit attributable to the owners of the parent company (with "-" for net loss)		3,494,725,837.36	3,477,326,647.54
2. Net profit attributable to non-controlling interests (with "-" for net loss)		574,218,710.61	537,508,034.68
VI. Other comprehensive income, net of tax	VII. (LVIII)	-96,558,256.66	-4,855,479.47
(I) Other comprehensive income attributable to the owners of the parent company, net of tax		-96,547,660.78	-4,639,846.93
1. Other comprehensive income that may not be reclassified into profit or loss		-97,434,859.93	-12,045,865.94
(1) Changes of re-measurement of defined benefit plans		-89,375,000.00	-26,068,000.00
(2) Other comprehensive income that cannot be transferred to profit or loss under equity method		—	—
(3) Changes in fair value of other equity instrument investments		-8,059,859.93	14,022,134.06
(4) Changes in fair value of the Company's own credit risk		—	—

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

January to December 2024

ITEM	Note	2024	2023
2. Other comprehensive income that will be reclassified into profit or loss		887,199.15	7,406,019.01
(1) Other comprehensive income that can be transferred to profit or loss under equity method		—	—
(2) Changes in fair value of other debt investments		—	—
(3) Provision for impairment of receivables for financing		—	—
(4) Amount of financial assets reclassified into other comprehensive income		—	—
(5) Credit impairment provisions for other debt investments		456,607.80	4,283,995.36
(6) Hedging reserve arising from cash flows		884,487.18	524,442.03
(7) Exchange differences on translation of foreign operations		-453,895.83	2,597,581.62
(8) Others		—	—
(II) Other comprehensive income attributable to non-controlling interests, net of tax		-10,595.88	-215,632.54
VII. Total comprehensive income		3,972,386,291.31	4,009,979,202.75
(I). Total comprehensive income attributable to Shareholders of the parent company		3,398,178,176.58	3,472,686,800.61
(II). Total comprehensive income attributable to non- controlling interests		574,208,114.73	537,292,402.14
VIII. Earning per share:			
(I). Basic earnings per share (RMB/share)	VII. (LXXVIII)	0.32	0.32
(II) Diluted earnings per share (RMB/share)	VII. (LXXVIII)	0.32	0.32

In the current period, if there is a business combination under common control, the net profit realized by the acquiree before the merger amounts to RMB0, and the net profit realized by the acquiree in the previous period is RMB0.

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS

January to December 2024

Unit: Yuan Currency: RMB

ITEM	Note	2024	2023
I. Revenue	XX. (IV)	2,319,813,596.04	3,699,075,009.60
Less: Cost of sale	XX. (IV)	2,098,959,274.13	3,321,264,497.46
Taxes and surcharges		39,491,602.37	45,196,622.32
Selling and distribution expenses		7,766,962.31	5,960,591.67
General and administrative expenses		236,484,353.08	207,676,864.72
Research and development expenses		54,919,659.82	94,811,983.28
Finance costs		-63,682,024.31	-167,097,346.53
Including: Interest expenses		106,684,257.50	122,642,403.24
Interest income		164,286,350.20	273,898,017.87
Add: Other income		1,459,749.73	2,503,953.74
Investment income (with "-" for loss)	XX. (V)	2,148,053,145.42	2,298,376,747.89
Including: Share of profits of associates and joint ventures		41,762,423.77	44,555,126.22
Derecognition of income from financial assets at amortized cost		—	—
Net gains from hedging exposure (with "-" for loss)		—	—
Gains from changes in fair value (with "-" for loss)		—	—
Credit impairment losses (with "-" for loss)		-57,374,416.49	-31,492,340.98
Assets impairment losses (with "-" for loss)		1,562,058.75	-59,500.27
Gains from disposal of assets (with "-" for loss)		1,493.94	37,353.00
II. Operating profit (with "-" for loss)		2,039,575,799.99	2,460,628,010.06
Add: Non-operating income		11,741,802.26	440,266.77
Less: Non-operating expenses		202,943.75	643,439.49
III. Total profits (with "-" for total losses)		2,051,114,658.50	2,460,424,837.34
Less: Income tax expenses		36,129,071.68	80,132,063.04
IV. Net profit (with "-" for net loss)		2,014,985,586.82	2,380,292,774.30
(I) Net profit from continuing operations (with "-" for net loss)		2,014,985,586.82	2,380,292,774.30
(II) Net profit from discontinued operations (with "-" for net loss)		—	—

PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS (CONTINUED)

January to December 2024

ITEM	Note	2024	2023
V. Other comprehensive income, net of tax		9,337,981.27	19,611,084.52
(I) Other comprehensive income that may not be reclassified into profit or loss		9,029,511.01	19,504,508.85
1. Changes of re-measurement of defined benefit plans		-1,988,000.00	952,000.00
2. Other comprehensive income that cannot be transferred to profit or loss under equity method		—	—
3. Changes in fair value of other equity instrument investments		11,017,511.01	18,552,508.85
4. Changes in fair value of the Company's own		—	—
(II) Other comprehensive income that will be reclassified into profit or loss		308,470.26	106,575.67
1. Other comprehensive income that can be transferred to profit or loss under equity method		—	—
2. Changes in fair value of other debt investments		—	—
3. Amount of financial assets reclassified to other comprehensive income		—	—
4. Provision for credit impairment of other debt investments		—	—
5. Hedging reserve arising from cash flows		—	—
6. Exchange differences on translation of foreign operations		308,470.26	106,575.67
7. Provision for impairment of receivables for financing		—	—
8. Others		—	—
VI. Total comprehensive income		2,024,323,568.09	2,399,903,858.82
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		—	—
(II) Diluted earnings per share (RMB/share)		—	—

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

CONSOLIDATED STATEMENT OF CASH FLOWS

January to December 2024

Unit: Yuan Currency: RMB

ITEM	Note	2024	2023
I. Cash flows generated from operating activities:			
Cash received from the sale of goods or rendering of services		34,540,806,445.43	35,383,106,552.69
Net increase in customer deposits received and interbank deposits		2,863,121,898.20	137,902,594.74
Net increase in borrowings from central bank		—	—
Net increase in placements from other financial institutions		—	—
Cash received from original insurance contract premium		—	—
Net cash received from reinsurance business		—	—
Net increase in savings and investment funds		—	—
Interests, service charges and commission received		173,524,145.34	67,297,641.53
Net increase in placements from banks and other financial institutions		—	—
Net increase in returned business capital		—	—
Net cash received from accounts payables to brokerage clients		—	—
Refunds of tax		251,536,649.73	284,342,807.02
Cash received relating to other operating activities	VII. (LXXXI)	709,794,589.63	975,191,468.01
Subtotal of cash inflows from operating activities		38,538,783,728.33	36,847,841,063.99
Cash paid for goods and services		22,989,116,620.42	24,377,310,902.42
Net increase in loans and advances to customers		—	—
Net increase in deposits with the central bank and interbank funds		217,174,019.14	241,163,665.70
Cash paid for original insurance contract compensation		—	—
Net increase in placements with banks and other financial institutions		—	—
Interests, service charges and commission paid		14,635,402.11	68,492.73
Cash paid for bonus of guarantee slip		—	—
Cash paid to and on behalf of employees		5,928,373,418.11	5,825,706,548.94
Cash paid for all taxes		2,421,557,354.54	2,185,905,595.34
Cash paid relating to other operating activities	VII. (LXXXI)	1,731,798,183.70	2,159,651,995.87
Subtotal of cash outflows from operating activities		33,302,654,998.02	34,789,807,201.00
Net cash flows generated from operating activities	VII. (LXXXII)	5,236,128,730.31	2,058,033,862.99

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

January to December 2024

ITEM	Note	2024	2023
II. Cash flows generated from investing activities:			
Cash received from disposal of investments		—	92,675,189.81
Cash received from return on investment		35,383,497.94	53,689,410.29
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		146,463,667.48	1,201,808.87
Decrease in unsecured/pledged and unrestricted time deposits with maturity over three months		446,027,028.98	—
Net cash from disposal of subsidiaries and other operating units		—	—
Cash received relating to other investing activities	VII. (LXXXI)	106,712,832.20	17,822,281.29
Subtotal of cash inflows from investing activities		734,587,026.60	165,388,690.26
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		858,930,104.64	680,611,974.95
Cash paid for investments		195,068,248.34	108,524,948.00
Increase in unsecured/pledged and unrestricted time deposits with maturity over three months		—	1,198,615,327.25
Net increase in pledged loan		—	—
Net cash paid on acquisition of subsidiaries and other operating units		—	—
Cash paid relating to other investing activities	VII. (LXXXI)	267,283,368.00	332,844.66
Subtotal of cash outflows from investing activities		1,321,281,720.98	1,988,085,094.86
Net cash flows generated from investing activities		-586,694,694.38	-1,822,696,404.60
III. Cash flows generated from financing activities:			
Cash received as capital contributions		97,000,000.00	1,200,000.00
Including: Cash received by subsidiaries from minority shareholders' investment		97,000,000.00	1,200,000.00
Cash received from issuance of other equity instruments		467,451,978.03	2,446,653,147.05
Cash received from borrowings	VII. (LXXXI)	2,798,070,000.00	100,000,000.00
Cash received relating to other financing activities		3,362,521,978.03	2,547,853,147.05

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

January to December 2024

ITEM	Note	2024	2023
Subtotal of cash inflows from financing activities		2,202,149,546.48	1,370,332,217.10
Cash paid on repayments of borrowings		2,429,743,089.62	2,494,449,005.10
Including: Dividend and profit of minority shareholder paid by subsidiaries		420,950,786.39	447,300,583.39
Cash paid relating to other financing activities	VII. (LXXXI)	2,990,618,882.60	145,522,629.63
Subtotal of cash outflows from financing activities		7,622,511,518.70	4,010,303,851.83
Net cash flows generated from financing activities		-4,259,989,540.67	-1,462,450,704.78
IV. Effect of fluctuations in exchange rate on cash and cash equivalents		-3,687,514.99	5,567,511.24
V. Net increase in cash and cash equivalents	VII. (LXXXII)	385,756,980.27	-1,221,545,735.15
Add: Balance of cash and cash equivalents at the beginning of the period	VII. (LXXXII)	16,020,112,696.12	17,241,658,431.27
VI. Balance of cash and cash equivalents at the end of the period	VII. (LXXXII)	16,405,869,676.39	16,020,112,696.12

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to December 2024

Unit: Yuan Currency: RMB

ITEM	Note	2024	2023
I. Cash flows generated from operating activities:			
Cash received from the sale of goods or rendering of services		2,622,781,688.95	3,247,001,968.09
Refunds of tax		58,581,175.66	60,140,156.75
Cash received relating to other operating activities		564,601,512.80	729,863,024.16
Subtotal of cash inflows from operating activities		3,245,964,377.41	4,037,005,149.00
Cash paid for goods and services		2,469,719,748.50	3,131,582,579.96
Cash paid to and on behalf of employees		195,888,870.86	199,614,792.27
Cash paid for all taxes		194,304,809.87	212,142,640.99
Cash paid relating to other operating activities		633,844,274.63	1,121,919,059.16
Subtotal of cash outflows from operating activities		3,493,757,703.86	4,665,259,072.38
Net cash flows generated from operating activities		-247,793,326.45	-628,253,923.38
II. Cash flows generated from investing activities:			
Cash received from disposal of investments		—	90,300,000.00
Cash received from return on investment		1,881,473,801.45	1,993,534,257.22
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		306,800.00	163,612.22
Decrease in unsecured/pledged and unrestricted time deposits with maturity over three months		—	495,283,718.75
Net cash from disposal of subsidiaries and other operating units		—	—
Cash received relating to other investing activities		1,103,219,113.07	770,275,339.55
Subtotal of cash inflows from investing activities		2,984,999,714.52	3,349,556,927.74
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		110,626,078.81	67,499,550.59
Cash paid for investments		410,462,900.00	104,277,379.43
Increase in unsecured/pledged and unrestricted time deposits with maturity over three months		14,822,397.57	—
Net cash from disposal of subsidiaries and other operating units		—	—
Cash paid relating to other investing activities		1,551,749,060.29	6,426,388,319.92
Subtotal of cash outflows from investing activities		2,087,660,436.67	6,598,165,249.94
Net cash flows generated from investing activities		897,339,277.85	-3,248,608,322.20

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY (CONTINUED)

January to December 2024

ITEM	Note	2024	2023
III. Cash flows generated from financing activities:			
Cash received as capital contributions		—	—
Cash received from issuance of other equity instruments		2,000,000,000.00	2,000,000,000.00
Cash received relating to other financing activities		2,498,070,000.00	—
Subtotal of cash inflows from financing activities		4,498,070,000.00	2,000,000,000.00
Cash paid on repayments of borrowings		2,000,000,000.00	800,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses		1,924,566,114.24	1,888,815,863.31
Cash paid relating to other financing activities		2,800,423,900.00	693,900.00
Subtotal of cash outflows from financing activities		6,724,990,014.24	2,689,509,763.31
Net cash flows generated from financing activities		-2,226,920,014.24	-689,509,763.31
IV. Effect of fluctuations in exchange rate on cash and cash equivalents		2,233,014.79	1,499,398.22
V. Net increase in cash and cash equivalents		-1,575,141,048.05	-4,564,872,610.67
Add: Balance of cash and cash equivalents at the beginning of the period		6,877,909,214.40	11,442,781,825.07
VI. Balance of cash and cash equivalents at the end of the period		5,302,768,166.35	6,877,909,214.40

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

January to December 2024

	2024														
	Equity attributable to owners of the parent Company														
	Other equity instruments				Less:	General		Minority shareholder's equity							
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Others	Subtotal	Interests	Total owners' equity	
I.	Closing balance of last year	-	2,796,935,660.38	-	15,964,182,695.10	-	-203,465,689.35	295,764,318.80	2,280,998,087.60	33,397,794.27	15,044,440,040.06	-	66,812,051,906.86	2,062,783,123.04	48,874,835,029.90
	Plus changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Opening balance of the year	-	2,796,935,660.38	-	15,964,182,695.10	-	-203,465,689.35	295,764,318.80	2,280,998,087.60	33,397,794.27	15,044,440,040.06	-	66,812,051,906.86	2,062,783,123.04	48,874,835,029.90
II.	Increase/(decrease) during the period (with "+": for decrease)	-	-296,935,660.38	-	-4,444,475.47	-	-96,547,660.78	49,007,232.38	201,498,558.68	62,098,265.67	1,298,279,189.01	-	-1,212,955,463.11	346,011,526.75	1,561,967,286.86
(I)	Total comprehensive income	-	-	-	-	-	-96,547,660.78	-	-	-	3,494,725,837.36	-	3,399,178,176.58	574,009,114.73	3,973,986,291.31
(II)	Capital contributions and withdrawals by	-	-296,935,660.38	-	-4,444,475.47	-	-	-	-	-	-	-	-301,380,135.85	199,293,905.06	-102,086,230.79
1.	Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	199,898,339.28	199,898,339.28
2.	Capital contributed by holders of other equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-301,380,135.85	-	-
4.	Others	-	-296,935,660.38	-	-4,444,475.47	-	-	-	-	-	-	-	-301,380,135.85	-604,434.22	-301,984,570.07
(III)	Profit distribution	-	-	-	-	-	-	-	201,498,558.68	62,098,265.67	-2,195,446,648.35	-	-1,932,849,804.00	-430,101,515.54	-2,362,951,319.54
1.	Appropriation of surplus reserve	-	-	-	-	-	-	-	201,498,558.68	-	-201,498,558.68	-	-	-	-
2.	Accrual of general risk reserves	-	-	-	-	-	-	-	-	62,098,265.67	-	-	-	-	-
3.	Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-	-1,800,269,230.00	-392,034,689.54	-2,192,303,919.54
4.	Others	-	-	-	-	-	-	-	-	-	-132,580,574.00	-	-132,580,574.00	-38,066,826.00	-170,647,400.00

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to December 2024

ITEM	2024														
	Equity attributable to owners of the parent Company														
	Paid-in capital (or share capital)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal	Minority shareholder interests	Total owners' equity
Preference shares		Perpetual bonds	Others												
(IV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Charges in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V)	-	-	-	-	-	-	-	49,007,232.38	-	-	-	-	49,007,232.38	4,611,322.50	53,618,554.88
Special reserve	-	-	-	-	-	-	-	49,007,232.38	-	-	-	-	49,007,232.38	4,611,322.50	53,618,554.88
1. Appropriated in current period	-	-	-	-	-	-	-	338,241,749.12	-	-	-	-	338,241,749.12	30,284,842.71	368,526,591.83
2. Use in current period	-	-	-	-	-	-	-	-308,234,516.74	-	-	-	-	-308,234,516.74	-25,673,320.21	-334,907,836.95
(VI)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV	10,588,819,000.00	-	2,500,000,000.00	-	15,959,738,219.63	-	-300,033,350.13	348,771,551.18	2,482,456,646.28	101,496,079.94	16,342,719,229.07	-	48,025,007,375.97	2,410,794,949.79	50,435,802,325.76
Closing balance during the period															

January to December 2024

Annual Report 2024 307

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to December 2024

2023																
Equity attributable to owners of the parent Company																
ITEM	Paid-in capital (or share capital)	Other equity instruments				Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profits	Others	Subtotal	Minority shareholder interests	Total owners' equity	
		Preference shares	Perpetual bonds	Others												
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4. Changes in defined benefit plan transferred to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Other comprehensive income transferred to related earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1. Appropriated in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Use in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing balance during the period	10,589,819,000.00	-	2,786,935,660.38	-	15,984,182,685.10	-	-203,465,689.35	289,764,318.80	2,280,988,087.60	39,397,794.27	15,044,440,040.06	-	46,812,051,936.86	2,062,783,123.04	48,874,835,029.90	
Person-in-charge of the Company:															Head of Accounting Department:	
Lou Qiliang															Zhang Shihu	
Chief Financial Officer:															Head of Accounting Department:	
Li Lianqing															Zhang Shihu	

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

PARENT COMPANY'S STATEMENT OF CHANGES IN OWNERS' EQUITY

January to December 2024

Unit: Yuan Currency: RMB

ITEM	2024											
	Paid-in capital (or share capital)	Other equity instruments				Capital reserve	Less: treasury	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
		Preference shares	Perpetual bonds	Others								
I. Closing balance of last year	10,589,819,000.00	-	2,796,935,660.38	-	16,356,470,432.63	-	-26,293,082.07	26,363,291.27	2,280,998,087.60	2,265,184,657.44	34,289,476,047.25	
Plus: changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	
II. Opening balance of the year	10,589,819,000.00	-	2,796,935,660.38	-	16,356,470,432.63	-	-26,293,082.07	26,363,291.27	2,280,998,087.60	2,265,184,657.44	34,289,476,047.25	
III. Increase/(decrease) during the period (with "+" for decrease)	-	-	-296,935,660.38	-	119,013,985.18	-	9,337,981.27	-9,297,851.75	201,498,558.68	-73,028,295.06	-49,411,282.06	
(I) Total comprehensive income	-	-	-	-	-	-	9,337,981.27	-	-	2,014,985,586.82	2,024,323,568.09	
(II) Capital contributions and withdrawals by	-	-	-296,935,660.38	-	119,013,985.18	-	-	-	-	-	-177,921,675.20	
1. Common shares contributed by shareholders	-	-	-	-	124,008,324.80	-	-	-	-	-	124,008,324.80	
2. Capital contributed by holders of other equity	-	-	-	-	-	-	-	-	-	-	-	
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-	-	
4. Others	-	-	-296,935,660.38	-	-4,994,339.62	-	-	-	-	-	-301,930,000.00	
(III) Profit distribution	-	-	-	-	-	-	-	-	201,498,558.68	-2,094,727,788.68	-1,893,229,230.00	
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	201,498,558.68	-201,498,558.68	-	
2. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-1,800,269,230.00	-1,800,269,230.00	
3. Others	-	-	-	-	-	-	-	-	-	-92,960,000.00	-92,960,000.00	

PARENT COMPANY'S STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to December 2024

ITEM	2024										Total owners' equity
	Other equity instruments					Other					
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
(IV) Internal transfer of owners' equity											
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-9,297,851.75	-	-	-9,297,851.75
1. Appropriated in current period	-	-	-	-	-	-	-	20,024,118.55	-	-	20,024,118.55
2. Use in current period	-	-	-	-	-	-	-	-29,321,970.30	-	-	-29,321,970.30
(VI) Others	-	-	-	-	-	-	-	-	-	6,713,906.80	6,713,906.80
Closing balance during the period	10,589,819,000.00	-	2,500,000,000.00	-	16,475,484,417.81	-	-16,955,100.80	17,065,439.52	2,482,496,646.28	2,192,156,382.38	34,240,066,765.19

PARENT COMPANY'S STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to December 2024

2023

ITEM	Other equity instruments					Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury				
I. Closing balance of last year	10,589,819,000.00	-	2,796,835,660.38	-	16,356,470,432.63	-	42,219,683.05	2,042,968,810.17	2,016,150,390.57	33,798,659,810.21
Plus: changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Correction of errors in prior period	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the year	10,589,819,000.00	-	2,796,835,660.38	-	16,356,470,432.63	-	42,219,683.05	2,042,968,810.17	2,016,150,390.57	33,798,659,810.21
III. Increase/(decrease) during the period (with "+" for decrease)	-	-	-	-	-	-	-	-	-	-
(I) Total comprehensive income	-	-	-	-	-	-	-15,856,391.78	238,029,277.43	249,034,266.87	490,818,237.04
(II) Capital contributions and withdrawals by	-	-	-	-	-	-	19,611,094.52	-	2,390,292,774.30	2,399,903,858.82
1. Common shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in owners' equity	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	238,029,277.43	-2,131,258,507.43	-1,893,229,230.00
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	238,029,277.43	-238,029,277.43	-
2. Distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-1,800,269,230.00	-1,800,269,230.00
3. Others	-	-	-	-	-	-	-	-	-92,960,000.00	-92,960,000.00

PARENT COMPANY'S STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to December 2024

2023

ITEM	Other equity instruments					Less: treasury	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
	Paid-in capital (or share capital)	Preference shares	Perpetual bonds	Others	Capital reserve						
(IV) Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Changes in defined benefit plan transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-15,856,391.78	-	-	-15,856,391.78
1. Appropriated in current period	-	-	-	-	-	-	-	39,167,147.78	-	-	39,167,147.78
2. Use in current period	-	-	-	-	-	-	-	-55,023,539.56	-	-	-55,023,539.56
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
IV Closing balance during the period	10,589,819,000.00	-	2,796,335,660.38	-	16,356,470,432.63	-	-26,293,082.07	26,363,291.27	2,280,898,087.60	2,265,184,657.44	34,289,478,047.25

Person-in-charge of the Company:
Lou Qiliang

Chief Financial Officer:
Li Lianqing

Head of Accounting Department:
Zhang Shihu

NOTES TO THE FINANCIAL STATEMENTS OF 2024

31 December 2024

RMB

III. CORPORATE INFORMATION

(I) Company profile

☒ Applicable ☐ Not Applicable

China Railway Signal & Communication Corporation Limited (the "Company") is a joint stock company limited liability company jointly sponsored on 29 December 2010 by China Railway Signal and Communication (Group) Corporation Limited (hereinafter referred to as the "CRSC Group") as the promoter, in association with China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd., China Reform Holdings Corporation Ltd., and CICC Jiacheng Investment Management Co., Ltd. (these four companies are collectively referred to as the "Other Promoters") approved by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) (the "SASAC") via Guo Zi Gai Ge [2010] No. 876 on 17 August 2010 in accordance with the relevant provisions of laws and administrative regulations of the PRC. The Company's headquarters are at 20th floor of Block A, CRSC Building, 1 Compound Automobile Museum South Road, Fengtai District, Beijing. The Company's headquarters are at 20th floor of Block A, CRSC Building, 1 Compound Automobile Museum South Road, Fengtai District, Beijing.

Upon approval of the China Securities Regulatory Commission's Reply on Issuance of Overseas Listed Foreign Shares by China Railway Signal & Communication Corporation Limited (Zheng Jian Xu Ke [2015] No. 1630), the Company has issued 1,789,819,000 H Shares with a nominal value of RMB1 each at an issue price of HK\$6.30 per share that were listed on the Hong Kong Stock Exchange from July to September 2015. The total amount of funds raised before deducting the issuance expenses was approximately HK\$11,275,859,700 and such H Shares commenced for trading on the Main Board of the Hong Kong Stock Exchange in August and September 2015. The Company's four state-owned shareholders, CRSC Group, China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd. and China Reform Holdings Corporation Ltd., converted a total of 178,982,000 state-owned legal person shares to H Shares during August and September 2015, which were then transferred to the National Council for Social Security Fund of the People's Republic of China.

According to the China Securities Regulatory Commission's Approval for Consent to the Registration of China Railway Signal & Communication Corporation Limited's Initial Public Offering (Zheng Jian Xu Ke [2019] No. 1135), as of 16 July 2019, the Company has issued 1,800,000,000 ordinary shares with a nominal value of RMB1 each at an issue price of RMB5.85 per share that were listed on the Sci-Tech innovation board of the Shanghai Stock Exchange. The total amount of funds raised before deduction of issuance expenses was RMB10,530,000,000.00 and such ordinary shares were commenced for trading on the Shanghai Stock Exchange's Sci-Tech innovation board on 22 July 2019.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

III. CORPORATE INFORMATION (CONTINUED)

(I) Company profile (Continued)

As of 31 December 2024, the Company has accumulatively issued a total issued share capital of 10,589,819,000 shares with the accumulated share capital amounting RMB10,589,819,000.

The Company and its subsidiaries (collectively referred to as the "Company") are mainly engaged in the following businesses: design and integration of rail transportation control system which mainly include the provision of comprehensive planning for investigation, design and control systems for rail transportation control system; equipment manufacturing of rail transportation control system which mainly includes production and sales of signal systems, communication systems, infrastructure equipment, information systems and other products; and system implementation services for rail transportation control system which include provision of construction, installation, testing, operation and maintenance services for rail transportation control system; and provision of services relating to municipal engineering projects and other construction projects.

The parent company and the ultimate controlling party of the Company is CRSC Group based in the PRC.

The financial statements were approved by resolution by the Board of Directors of the Company on 28 March 2025.

(II) Scope of consolidated financial statements

As of 31 December 2024, the subsidiaries of the Company within the scope of consolidated financial statements are as follows:

No.	Level	Name of subsidiary	Abbreviation of subsidiary
1	2	Beijing CRSC Research & Design Institute Group Co., Ltd.	CRSCD
2	2	China Railway Signal & Communication International Co., Ltd.	CRSC International
3	2	CRSC Cables Company Ltd.	CRSC Cables
4	2	CRSC Jishou Huatai Pipeline Project Management Co., Ltd.	CRSC Huatai
5	2	CRSC Jishou Tengda Project Management Co., Ltd.	CRSC Tengda

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

III. CORPORATE INFORMATION (CONTINUED)

(II) Scope of consolidated financial statements (Continued)

No.	Level	Name of subsidiary	Abbreviation of subsidiary
6	2	CRSC (Beijing) Materials Co., Ltd.	Beijing Materials
7	2	CRSC (Xi' an) Rail Industry Group Co., Ltd.	CRSC Xi'an Industry Group
8	2	CRSC (Changsha) Rail Transit Control Technology Company Limited	CRSC Changsha Railway
9	2	Zhengzhou Xiudong Engineering Consulting Co., Ltd.	Zhengzhou Xiudong
10	2	Tonghao (Zhengzhou) Electrification Bureau Group Co., Ltd.	Electrification Bureau
11	2	CASCO Signal Co., Ltd.	CASCO
12	2	CRSC International Holdings Company Limited	CRSC International Holdings
13	2	CRSC (Jiangsu) Smart City Construction & Development Co., Ltd.	CRSC Jiangsu Smart
14	2	CRSC Innovation Investment Co., Ltd.	Innovation Investment
15	2	CRSC Engineering Group Company Ltd.	CRSCE
16	2	CRSC Construction Group Co., Ltd.	CRSC Construction
17	2	CRSC Communication & Information Group Company Ltd.	CRSCC
18	2	CRSC Urban Rail Transit Technology Co., Ltd.	Urban Rail Transit
19	2	China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd.	Shanghai Engineering Bureau
20	2	CRSC Group Finance Limited	CRSC Finance
21	2	CRSC Low-Altitude Intelligent Technology Co., Ltd.	CRSC Low-Altitude Intelligent

For relevant details of subsidiaries of the Company, please refer to Note "X. Interests in Other Entities".

For details of changes in the scope of consolidation during the Reporting Period, please refer to Note "IX. Changes on Scope of Consolidation".

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(I) Basis of preparation

The Company prepares financial statements in accordance with the Accounting Standards for Business Enterprises – Basic Standards and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the “Accounting Standards for Business Enterprises”), as well as the relevant provisions of the Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No.15 – General Requirements for Financial Reports issued by the China Securities Regulatory Commission. Furthermore, the financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

(II) Going concern

☒ Applicable ☐ Not Applicable

The financial statements are prepared on a going concern basis.

It is evaluated that the Company has no significant event, which may raise any serious doubt about the going-concern ability, within 12 months from the end of the reporting period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Tips for specific accounting policies and accounting estimates:

☒ Applicable ☐ Not Applicable

The following disclosures have covered the specific accounting policies and estimates formulated by the Company according to its actual production and operation features.

(I) Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and the company's financial position of the Company as at December 31, 2024, and the consolidated and the company's financial performance and cash flows for the year then ended.

(II) Accounting period

The accounting year is from January 1 to December 31 in calendar year.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(III) Operating cycle

☒ Applicable ☐ Not Applicable

The Company's operating cycle is 12 months.

(IV) Functional currency

RMB is adopted as the Company's functional currency.

(V) Accounting treatment methods for business combinations under and not under common control

☒ Applicable ☐ Not Applicable

Business combination under common control: Assets and liabilities acquired from business combination by the acquirer (including the goodwill formed by the ultimate controller's acquisition of the acquiree) are measured at the carrying amount of assets and liabilities of the acquiree in the financial statements of the ultimate controller on the combination date. Capital stock premium in the capital reserves should be adjusted according to the difference between the carrying amount of net asset acquired from the combination and that of consideration (total face value of the shares issued) paid for the combination. In case the capital stock premium is not enough, the retained earnings need to be adjusted.

For the business combination not under common control, the combination costs are the fair value, on the acquisition date, of any assets acquired, any liabilities incurred or assumed, and any equity securities issued by the acquirer, in exchanges for the right of control over the acquiree. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. The identifiable assets, liabilities and contingent liabilities of the acquiree that are obtained from combination and satisfying the recognition criteria shall be measured at their fair values.

Direct expenses arising from the business combination shall be included in current profit or loss on the occurrence date. Transaction expenses on equity or debt securities issued by the acquirer for the purpose of the combination consideration shall be included in the initially recognized amount of equity or debt securities.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Judgment criteria of control and preparation method of consolidated financial statements

☒ Applicable ☐ Not Applicable

1. *Judgment criteria of control*

The scope of consolidation for the consolidated financial statements of the Company is determined based on control, including the Company and all its subsidiaries. Control means the Company has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to the Company's return by using the power over the investee.

2. *Consolidation procedure*

The Company deems the whole enterprise group as a single accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating results and cash flows. The influence of internal transactions between the Company and its subsidiaries and between subsidiaries shall be offset. When internal trading indicates that related assets are impaired, they will be fully recognized. If the accounting policy and the accounting period adopted by a subsidiary are inconsistent with that of the Company, in preparing consolidated financial statements, necessary adjustments shall be made in accordance with the Company's accounting policy and accounting period.

The share of shareholders' equity, current net profit or loss, and current comprehensive income of subsidiaries attributable to non-controlling interests shall be respectively and separately listed in the shareholders' equity of the consolidated balance sheet, the net profit and the total comprehensive income item of the consolidated income statement. If the share of the current losses attributable to the non-controlling interests of a subsidiary exceeds the share of the shareholders' equity attributable to non-controlling interests of the subsidiary at the beginning of the period, the balance is allocated against the non-controlling interests.

(1) *Increase of subsidiaries or business*

During the reporting period, if a subsidiary or business is included as a result of a business combination under the same control, the operating results and cash flows of the subsidiary or business combination from the beginning of the period to the end of the reporting year are included in the consolidated financial statements, while the beginning of the consolidated financial statements and the related items in the comparative statements are adjusted as if the consolidated reporting entity had existed since the point when the ultimate controller began to control it.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Judgment criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedure (Continued)

(1) Increase of subsidiaries or business (Continued)

If the Company is able to exercise control over an investee under the same control due to additional investment, etc., equity investments held before the control over the combinee is obtained, the related gains and losses, other comprehensive income as well as other changes in net assets recognized from the later of the date when the original equity is obtained or the date when the acquirer and the acquiree are under the same control, to the combination date will respectively write down the retained earnings or current profit or loss in the comparative statements.

During the reporting period, if the Company acquires subsidiaries or business from the business combination not under common control, such subsidiaries or business shall be included in consolidated financial statements from the acquisition date at the fair value of identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

If there is control over the investee not under the common control due to additional investments or other reasons, for the equity of the acquiree held before the acquisition date, the Company will re-measure the equity on the acquisition date at its fair value and include the difference between the fair value and carrying amount in current investment income. Other comprehensive income and other changes in shareholders' equity under the equity method that are involved in the equity of the acquiree held prior to the acquisition date and can be reclassified into profit or loss later are transferred to investment income of the period to which the acquisition date belongs.

(2) Disposal of subsidiaries

① General method of disposal

For the remaining equity investments after the disposal, the Company will re-measure the same at the fair value on the date when it loses control over the investee due to disposal of partial equity investment or other reasons. The sum of the consideration of equity disposal and the fair value of the remaining equity, less the sum of the share of net assets of the subsidiary attributable to the Company calculated continuously since the acquisition date or the combination date according to the original shareholding ratio and the goodwill, shall be included in the investment income for this period when the control is lost. Other comprehensive income and other changes in shareholders' equity under the equity method that are related to the equity investment of original subsidiaries and can be reclassified into profit or loss later are transferred to investment income for this period upon the loss of control power.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Judgment criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedure (Continued)

(2) Disposal of subsidiaries (Continued)

② Disposal of subsidiaries by stages

Where the Company disposes the equity investments in subsidiary through multiple transactions and by stages until it loses the control, if the effect of the disposal on the terms and conditions of all transactions of equity investments in subsidiary and economic effect meet one or more of the following circumstance, it usually indicates that the multiple transactions should be accounted for as a package deal:

- i. The transactions are concluded at the same time or under the consideration of mutual effect;
- ii. The transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on that of at least one other transactions;
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

If the transactions for the disposal of equity investment in subsidiaries that leads to the loss of control are under a package of transactions, the Company treats all such transactions as one transaction through which the Company disposes of its equity in the subsidiary and loses its control over such subsidiary; the difference between the proceeds from each transaction before the Company loses its control over the subsidiary and the corresponding share in the net assets of the subsidiary of the disposed-of investment shall be recognized as other comprehensive income in the consolidated financial statements, and shall be included into the loss and profit in this period when the Company loses its control over the subsidiary.

If the transactions are not package transactions, before the control loses, related policies governing the partial disposal of equity investments in subsidiaries without losing control will apply; when the control loses, general accounting method for the disposal of subsidiaries will govern.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Judgment criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedure (Continued)

(3) Purchase of non-controlling interests of subsidiary

The difference between long-term equity investments acquired by the Company through purchase of minority interest and the subsidiary's identifiable net assets attributable to the Company calculated continuously from the acquisition date (or the combination date) in accordance with the increased shareholding ratio shall be charged against stock premium within capital reserves in the consolidated balance sheet; when stock premium within capital reserves is insufficient to offset, the retained earnings shall be adjusted.

(4) Partial disposal of equity investments in subsidiaries without losing control

Share premium in the capital reserve under the consolidated balance sheet will be adjusted at the difference between the proceeds achieved from the partial disposal of equity investments in subsidiaries and the share of net assets of subsidiaries attributable to the Company corresponding to the disposal of long-term equity investments and calculated constantly from the acquisition date or combination date without losing the control rights. Where the share premium in capital reserve is insufficient to offset, retained earnings will be adjusted.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Classification of joint venture arrangements and accounting treatment methods of joint operation

☒ Applicable ☐ Not Applicable

Joint venture arrangements are classified into joint operation and joint venture.

Joint operation refers to those joint venture arrangements under which the joint venturer is entitled to relevant assets and be responsible for relevant liabilities.

The Company recognizes the following items relating to the interests share in joint operation:

- (1) Assets it solely holds and its share of jointly-held assets based on its percentage;
- (2) Liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage;
- (3) Incomes from sale of output enjoyed by it from the joint operation;
- (4) Income from selling the production of the joint operation recognized based on the shares held by the Company ;
- (5) Separate costs and costs for the joint operation based on the shares held by the Company.

The Company's investments in its joint ventures are calculated under the equity method. For details, please refer to "Note V. (XIV) Long-term equity investments".

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VIII) Recognition criteria of cash and cash equivalents

Cash refers to the Company's cash on hand and the unrestricted deposits. Cash equivalents refer to the short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(IX) Foreign currency transactions and translation of foreign currency financial statements

☒ Applicable ☐ Not Applicable

1. Foreign currency transactions

Foreign currency transactions are converted into RMB for recording purpose at the spot exchange rate prevailing on the transaction date.

The balance of foreign currency monetary items as at the balance sheet date are translated at the spot exchange rate on the balance sheet date and the exchange differences arising therefrom shall be included in the current profit or loss, except those exchange differences arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified for capitalization that will be capitalized at the borrowing expenses.

2. Conversion of foreign currency financial statements

The assets and liability items in the balance sheet shall be converted at the spot exchange rates on the balance sheet date. For shareholders' equity items, except for the item of "retained earnings", other items are translated at the spot exchange rates when the transactions occur. The income and expenses in the income statement are translated at the spot exchange rate prevailing on the date when transactions occur.

Where the Company disposes of an overseas business, it shall transfer the exchange difference relating to the overseas business to the current profit or loss.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments

☒ Applicable ☐ Not Applicable

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability or an equity instrument.

1. Classification

Based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Company classifies upon initial recognition financial assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through current profit or loss.

The Company classifies financial assets that are not designated as those measured at fair value through current profit or loss as financial assets measured at amortized cost if they both meet the following conditions:

- A business model is to collect contractual cash flows;
- The contractual terms are only payments of principal and interest based on the outstanding principal.

The Company classifies as financial assets at fair value through other comprehensive income financial assets (debt instruments) that are not designated those measured at fair value through current profit or loss if they meet the following criteria:

- The business model is both to collect the contractual cash flows and to sell the financial asset;
- The contractual terms are only payments of principal and interest based on the outstanding principal.

For investments in equity instrument not held for trading, the Company will upon initial recognition designate them as financial assets (equity instrument) measured at fair value through other comprehensive income. This designation is made on an individual investment basis and the related investment meets the definition of an equity instrument from the perspective of the issuer.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

1. Classification (Continued)

The Company classifies financial assets except financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, as financial assets measured at fair value through current profit or loss. On initial recognition, if it can eliminate or significantly reduce accounting mismatch, the Company irrevocably designates some financial assets that should be measured at amortized cost or at fair value through other comprehensive income as financial assets at fair value through current profit or loss.

Financial liabilities at their initial recognition, are divided into the financial liabilities measured at fair value through current profit or loss and financial liabilities measured at amortized cost.

Financial liabilities meeting one of the following conditions can, at the time carrying out the initial recognition, be designated to the financial liabilities measured at fair value through the current profit or loss:

- 1) The designation eliminates or significantly reduces accounting mismatches.
- 2) Management and performance evaluation of the financial liability portfolio or portfolio of financial assets and financial liabilities on a fair value basis in accordance with the enterprise risk management or investment strategy as set out in a formal written document, and reporting to key officers on this basis within the Company.
- 3) The financial liability contains embedded derivative needed to be separated.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

2. *Recognition basis and measurement method*

(1) *Financial assets measured at amortized cost*

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, and debt investments, etc., which are initially measured at fair value, and related transaction expenses are included in the amount upon initial recognition; accounts receivable that do not contain a significant financing component and that the Company decides not to consider those with a financing component not exceeding one year are initially measured at the contract transaction price.

During the holding period, the interest calculated with the effective interest method shall be included in the current profit or loss.

Upon recovery or disposal, the difference between the purchase price obtained and the carrying amount of such financial asset is included in current profit or loss.

(2) *Financial assets (debt instruments) measured at fair value through other comprehensive income*

Financial assets (debt instruments) measured at fair value through other comprehensive income include financing of accounts receivable, other debt investments, etc., which are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value. Changes in fair value, except for interest calculated with the effective interest method, impairment or gains and exchange gains and losses, shall be included in other comprehensive income.

At derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred from the other comprehensive income to current profit or loss.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

2. Recognition basis and measurement method (Continued)

- (3) *Financial assets (equity instruments) measured at fair value through other comprehensive income*

Financial assets (equity instruments) measured at fair value through other comprehensive income, including investments in other equity instruments are initially measured at fair value, and related transaction expenses are included in the initial recognition amount. The financial assets are subsequently measured at fair value. Changes in fair value shall be included in other comprehensive income. The dividends obtained are included in the current profit or loss.

When a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income and included in retained earnings.

- (4) *Financial assets measured at fair values through current profit or loss*

Financial liabilities measured at fair value through current profit or loss include financial liabilities held for trading, derivative financial liabilities and other non-current financial assets, and are measured at fair value upon initial recognition, with the related transaction expenses being included into current profit or loss. The financial assets are subsequently measured at fair value. Changes in fair value shall be included in current profit or loss.

- (5) *Financial liabilities measured at fair value through current profit or loss*

Financial liabilities measured at fair value through current profit or loss include financial liabilities held for trading, derivative financial liabilities etc., which are initially measured at fair value, and related transaction expenses are included in current profit or loss. The financial liabilities are subsequently measured at fair value. Changes in fair value shall be included in current profit or loss.

Difference between the fair value and the consideration paid is included in investment income upon derecognition.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

2. Recognition basis and measurement method (Continued)

(6) Financial liabilities measured at amortized cost

Financial assets measured at amortized cost include short-term borrowings, notes receivable, accounts receivable, other receivables, long-term borrowings, bonds payable, long-term payables, etc., which are initially measured at fair value, and related transaction expenses are included in the amount upon initial recognition.

During the holding period, the interest calculated with the effective interest method shall be included in the current profit or loss.

Difference between the consideration paid and the fair value of such financial liabilities is included in current profit or loss upon derecognition.

3. Recognition basis and measurement method of derecognition and transfer of financial assets

The Company will terminate the recognition of the financial assets if:

- Where the contractual rights for collecting the cash flow of the said financial asset are terminated;
- The financial asset has been transferred, and nearly all the risks and rewards associated with ownership of the financial assets have been transferred to the transferee;
- The financial asset has been transferred and the company has neither transferred nor retained nearly all the risks and rewards associated with the ownership of the financial asset but does not retain the control over the financial asset.

In the event that the Company and the counterparty revise or renegotiate the contract and constitute substantial amendments, the confirmation for the original financial asset shall be terminated, and a new financial asset shall be confirmed in accordance with the revised clauses.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

3. *Recognition basis and measurement method of derecognition and transfer of financial assets (Continued)*

In the event of a transfer of financial asset, the Company shall not de-recognize the financial asset if nearly all the risks and rewards associated with the ownership of the financial assets are retained.

The principle of substance over form is adopted to determine whether a financial asset meets the above de-recognition conditions for the financial asset.

The transfer of a financial asset of the Company is classified into the entire transfer and the partial transfer of financial asset. If the entire transfer of financial asset satisfies the criteria for de-recognition, the difference between the amounts of the following two items shall be included in the current profit or loss:

- (1) The carrying amount of the financial asset transferred;
- (2) The sum of the consideration received from the transfer and the accumulated amount of the changes in fair value originally and directly included in shareholders' equity (where the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income is involved).

If the partial transfer of financial asset satisfies the criteria for derecognition, the entire carrying amount of the transferred financial asset shall be split into the derecognized and recognized parts according to their respective fair values and the difference between the amounts of the following two items shall be included in the current profit or loss:

- (1) The carrying amount of derecognized part;
- (2) The sum of the consideration received from the derecognition and the amount of the derecognized part in the accumulated amount of the changes in fair value originally and directly included in shareholders' equity (where the financial asset transferred is a financial asset (debt instrument) measured at fair value through other comprehensive income is involved).

Where the financial assets transfer does not meet the derecognition conditions, the financial asset will be recognized and the consideration received is recognized as a financial liability.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

4. *Derecognition of financial liabilities*

A financial liability shall be wholly or partly derecognized if its present obligations are wholly or partly dissolved. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liabilities with any new financial liability, and the new financial liability is substantially different from the contractual stipulations regarding the existing financial liability, it shall derecognize the existing financial liability, and recognize a new one at the same time.

Where substantive changes are made to the contractual terms of an existing financial liability in whole or in part, the existing financial liability or part thereof will be derecognized, and the financial liability the terms of which have been modified will be recognized as a new financial liability.

Where financial liabilities are de-recognized in whole or in part, the difference between the carrying amount of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) shall be included in the current profit or loss.

Where the Company repurchases part of a financial liability, the entire carrying amount of the financial liability shall be split into the derecognized part and continuously-recognized part according to their respective relatively fair values on the repurchase date. The difference between the carrying amount of the derecognized part and the consideration paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit or loss.

5. *Determination method for the fair value of financial assets and financial liabilities*

Fair value of a financial instrument having an active market is determined on the basis of quoted prices in the active market. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company adopts the valuation techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. Unobservable input values are used only when relevant observable input values cannot be available or such values obtained are infeasible.

6. *Testing method and accounting treatment of depreciation of financial assets*

The Company estimates the expected credit losses on either an individual or a combined basis for financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (debt instruments) and financial guarantee contracts.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(X) Financial instruments (Continued)

6. *Testing method and accounting treatment of depreciation of financial assets (Continued)*

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision at the expected credit losses for the whole duration of the financial instrument; if the credit risk of the financial instrument has not significantly increased since the initial recognition, the Company measures its loss provision at the expected credit losses of the financial instrument within the next 12 months. The increase or reversal of the loss provision is included in the current profit or loss as an impairment loss or gain.

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition to determine the relative change in the risk of default over the expected life of the financial instrument. Generally, once the overdue period is more than 30 days, the Company may consider that there is obvious increase in credit risk of such financial instrument, unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

The Company considers that the credit risk of the financial instrument has not increased significantly since initial recognition if the credit risk of a financial instrument on the balance sheet date.

If there is objective evidence that there is credit loss for a financial asset, the Company shall make provision for impairment of the financial asset on a single basis.

For receivables and contract assets resulting from transactions governed by the Accounting Standards for Business Enterprises No. 14 – Revenue (2017), the Company consistently measures its allowance for losses at an amount equal to the expected credit loss over the entire life of the asset, whether or not it contains a significant financing component.

For lease receivables, the Company has chosen to always measure its loss allowance at an amount equal to the expected credit loss over the entire life of the receivables.

When the Company no longer reasonably expects the contractual cash flows of a financial asset to be recovered in whole or in part, it directly writes down the gross carrying amount of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Inventories

☒ Applicable ☐ Not Applicable

1. *Classification and cost of inventories*

☒ Applicable ☐ Not Applicable

Inventories are classified into stock commodities, contract performance cost, dispatched goods, etc.

Inventories are initially measured at cost, and the inventory cost includes the procurement cost, processing cost and other expenses arising from making the inventory at their present location and condition.

2. *Measurement method of dispatched inventories*

☒ Applicable ☐ Not Applicable

Upon dispatch, inventories are measured with the weighted average method.

3. *Inventory system*

☒ Applicable ☐ Not Applicable

Perpetual inventory system is adopted.

4. *Amortization methods for low-cost consumables and packaging materials*

☒ Applicable ☐ Not Applicable

(1) Low-cost consumables: lump-sum amortization method;

(2) Packaging materials are amortized at lump-sum method.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XI) Inventories (Continued)

5. *Recognition basis of the net realizable value of different types of inventories*

☒ Applicable ☐ Not Applicable

On the balance sheet date, the inventories shall be valued at the lower of their costs or net realizable values. When the inventory costs are higher than the net realizable values, the provision for inventory depreciation reserves shall be made. The net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

In normal operation process, for merchandise inventories held directly for sale, including finished goods, stock commodities and held-for-sale materials, their net realizable values are determined at the estimated selling prices minus the estimated selling expenses and relevant taxes and surcharges; in normal production and operation process, for material inventories that need further processing, their net realizable values are determined at the estimated selling prices of finished goods minus estimated costs to completion, estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories held by the Company are more than those specified in sales contracts, the net realizable value of the excess portion of inventories are calculated on the basis of general selling prices.

After the provisions for the inventory depreciation are made, the factors causing any write-down of inventory value have disappeared, leading to the net realizable values of inventories higher than its carrying amount, the amount of write-down shall be resumed and be reversed from the original provision for inventory devaluation with the reversal being included in current profit or loss.

(XII) Contract assets

☒ Applicable ☐ Not Applicable

1. *Recognition method and standards for contractual assets*

☒ Applicable ☐ Not Applicable

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. If the Company has transferred the right to receive consideration for goods transferred or services provided to customers and the right depends on factors other than the passage of time, it is presented as a contract asset. Contractual assets and contractual liabilities under the same contract are presented by their net amounts. The Company's unconditional (only subject to the passage of time) rights to receive consideration from customers are individually presented as receivables.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XII) Contract assets (Continued)

2. Determination method and accounting treatment of expected credit losses of contractual assets

☒ Applicable ☐ Not Applicable

The method of determining expected credit losses and accounting treatment for contract assets are detailed in Note “V. (X).6. Methods of testing and accounting for impairment of financial assets”.

(XIII) Assets held for sale

Where the Company recovers the carrying amount of any non-current asset or disposed asset portfolio mainly through selling (including the exchange of non-monetary assets with commercial essence) but not continuously using the same, such non-current asset or disposed asset portfolio shall be divided into assets held for sale.

The Company recognizes non-current assets or disposed asset portfolios meeting the following conditions at the same time as assets held for sale:

- (1) According to the general practice for selling such kind of asset or disposed asset portfolio in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;
- (2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and has acquired the decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale is subject to the approval of relevant authorities or regulatory authorities of the Company according to relevant provisions, the approval has been obtained.

For any non-current asset (excluding financial assets, deferred tax assets and the assets arising from employee compensation) or disposed asset portfolio classified assets as held for sale, where its carrying amount is higher than the net amount of its fair value less the selling expense, the carrying amount shall be written down to the net amount of the fair value less the selling expense, and the amount written down shall be recognized as the losses from asset impairment and included in the current profit or loss, while the provision for impairment of assets held for sale is made.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIV) Long-term equity investments

☒ Applicable ☐ Not Applicable

1. *Judgment criteria for joint control and significant influence*

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company and other investors exert common control over the investee and the Company is entitled to net assets of the investee, the investee is the joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company is able to have significant influences on an investee, the investee is its associate.

2. *Determination of initial investment costs*

(1) *A long-term equity investment as a result of business combination*

For long-term equity investments acquired from business combinations under common control, the investment initial cost thereof shall be recognized at the share of carrying amount of the shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controller on the acquisition date. The capital premium in the capital reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the carrying amount of consideration. If the capital premium in the capital reserves is insufficient to cover the difference, the retained earnings shall be adjusted. In case the Company can exercise control over the investee under common control for additional investment or other reasons, the share premium will be adjusted at the difference between the initial investment cost of long-term equity investments recognized in accordance with the above principles and the sum of the carrying amount of long-term equity investments before the combination plus the carrying amount of the new consideration paid for further acquisition of shares on the combination date. If the share premium is insufficient to offset, retained earnings will be offset.

For long-term equity investment as a result of business combination not under common control, the Company determines the combination cost determined on the purchase date as the initial cost of long-term equity investments. Where additional investment or other reasons make the control over the investee not under the same control possible, the initial investment cost will be the sum of the carrying amount of the equity investments previously held and the newly increased investment costs.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIV) Long-term equity investments (Continued)

2. Determination of initial investment costs (Continued)

(2) Long-term equity investments obtained by means other than business combination

For long-term equity investments acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For a long-term equity investment acquired from issuance of equity securities, its initial cost is the fair value of the issued equity securities.

3. Subsequent measurement and recognition of gains and losses

(1) Long-term equity investments calculated under cost method

Long-term equity investments of the Company in its subsidiaries are accounted for at cost, unless the investments meet the conditions for holding for sale. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the investment income in the current year at the cash dividends or profits declared by the investee.

(2) Long-term equity investments calculated under equity method

The Company's long-term equity investments in its associates and joint ventures are calculated under the equity method. If the cost of initial investment is in excess of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial investment cost of long-term equity investment; if the cost of initial investment is in short of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit or loss, meanwhile the costs of long-term equity investments will be adjusted.

The Company shall recognize the investment income and other comprehensive income at the shares of net profit or loss and other comprehensive income realized by the investee which the Company shall enjoy or bear and adjust the carrying amount of long-term equity investments at the same time; the Company shall calculate the shares according to profits or cash dividends declared by the investee and correspondingly reduce the carrying amount of long-term equity investments; the carrying amount of long-term equity investments shall be adjusted according to the investee's other changes in shareholders' equity other than net profit or loss, other comprehensive income and Distribution of profits, which should be included in shareholders' equity.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIV) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of gains and losses (Continued)*

(2) *Long-term equity investments calculated under equity method (Continued)*

The share of the investee's net profit or loss, other comprehensive income and changes in other shareholders' equity should be recognized after adjustments are made to Net profit and other comprehensive income of the investee based on the fair value of identifiable net assets of the investee upon acquisition of investments and according to accounting policies and accounting period of the Company.

The Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company according to the corresponding ratio and recognize the profit or loss on investments on such basis except that the assets invested or sold constitute business. Where the losses from internal transactions between the Company and the investee fall into the scope of assets impairment loss, the full amount of such losses should be recognized.

For Net loss incurred by joint ventures or associates, the Company shall, in addition to its obligation to bear additional losses, write down to zero the carrying amount of long-term equity investments and other long-term equity that essentially constitutes net investment in such joint ventures or associates. If a joint venture or an associate realizes net profits in the future, the Company shall resume recognizing its share of profits after the share of profits makes up for the share of unrecognized losses.

(3) *Disposal of long-term equity investments*

For disposal of long-term equity investments, the difference between the carrying amount and the actual price shall be included in the current investment income.

For partial disposal of long-term equity investments accounted for under the equity method, if the remaining equity is still accounted for under the equity method, other comprehensive income originally accounted for and recognized under the equity method shall be carried forward in proportion on the basis same as that for the direct disposal of related assets or liabilities by the investee, and other changes in shareholders' equity shall be carried forward to current profit or loss in proportion.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIV) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of gains and losses (Continued)*

(3) *Disposal of long-term equity investments (Continued)*

In case the joint control or significant influence over the investee is lost for disposing of equity investments or other reasons, other comprehensive income recognized from original equity investments by using the equity method shall be subject to accounting treatment on the basis same as that for the direct disposal of related assets or liabilities by the investee when the equity method is terminated, and other changes in shareholders' equity shall be transferred to current profits or losses when the equity method is terminated.

Where the Company loses the control over the investee due to disposal of partial equity investments or other reasons, when it prepares individual financial statements, if the remaining equity can exercise joint control or significant influence on the investee, such investments should be changed to be accounted for under the equity method and the remaining equity should be deemed to have been accounted for by adopting the equity method on acquisition and adjusted; other comprehensive income recognized before the control of the investee is obtained will be carried forward on the basis same as that for the direct disposal of related assets or liabilities by the investee, and other changes in owner's equity accounted for and recognized under the equity method will be carried forward to current profits or losses in proportion; if the remaining equity cannot exercise joint control or significant influence on the investee, such equity will be recognized as financial assets, and the difference between fair value and carrying amount on the date of loss of the control should be included in current profits or losses; other comprehensive income and other changes in owner's equity recognized before the control of the investee is obtained will be carried forward.

Where the Company disposes of equity investments in subsidiaries through multiple transactions and by stages until loss of the control, if the above transactions belong to a package deal, accounting treatment shall be made on the transactions as a transaction to dispose equity investments of subsidiaries and lose the control. The difference between each disposal cost and the carrying amount of long-term equity investments corresponding to disposed equities before the loss of the control should be firstly recognized as other comprehensive income in individual financial statements and then transferred into the current profit or loss at the loss of the control. If the transactions are not under a package of transactions, each transaction shall be subject to accounting treatment separately.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XV) Investment properties

An investment property is a property held to earn rentals or for capital appreciation or for both purposes. It includes buildings held for lease.

Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the company and the cost can be measured reliably. Otherwise, they are recognised in profit or loss for the period in which they are incurred.

The company uses the cost model for subsequent measurement of investment properties, and adopts a depreciation or amortisation policy for the investment properties which is consistent with that for buildings and land use rights.

(XVI) Fixed assets

1. *Recognition and initial measurement of fixed assets*

☒ Applicable ☐ Not Applicable

Fixed assets refer to the tangible assets of the Company held for the purpose of business management with useful lives exceeding one accounting year. Fixed assets are recognized when the following criteria are satisfied simultaneously:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
- (2) The costs of the fixed asset can be measured reliably.

A fixed asset shall be initially measured at its cost with the consideration of the expected discard expenses.

The subsequent expenditures relating to fixed assets shall be included in the costs of fixed assets when the relevant economic interests are much likely to flow in the Company and their costs may be measured reliably; as for the part replaced, the carrying amount shall be derecognized; all other subsequent expenditures shall be included in the current profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVI) Fixed assets (Continued)

2. Depreciation method

☒ Applicable ☐ Not Applicable

Fixed assets will be depreciated by using the straight line method by category and the depreciation rate shall be recognized according to the category, estimated useful lives and estimated net residual value rate of fixed assets. For the fixed assets with provision for impairment made, the amount of depreciation will be determined according to the carrying amount after deduction of the provision for impairment and the remaining useful life in the future. Where various components of fixed assets are different in useful lives or provide economic benefits for the enterprise in different ways, then different depreciation rates or methods are chosen to separately provide for depreciation.

Depreciation method, depreciation life, residual value rate and annual depreciation rate of various fixed assets are as follows:

Type	Depreciation method	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and constructions	Straight-line method	20-40	3-10	2.25-4.85
Electronic equipment	Straight-line depreciation	5-10	3-10	9.00-19.40
Transportation facilities	Straight-line depreciation	5-8	3-10	11.25-19.40
Electronic equipment and others	Straight-line depreciation	3-10	3-10	9.00-32.33

The useful life and depreciation method of fixed assets with limited useful lives will be reviewed. If it is necessary, the useful life and depreciation method will be adjusted.

3. Disposal of fixed assets

When fixed assets are disposed of or are expected to fail to generate economic benefits after the use or disposal, the fixed assets shall be derecognized. The difference of the income from sales, transfer, retirement or damage of fixed assets deducting the carrying amount and related taxes should be included in the current profit or loss.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVII) Construction in progress

☒ Applicable ☐ Not Applicable

Construction in progress is recognised based on the actual construction expenditures incurred. It includes all types of expenditures necessary to be incurred during the construction period, capitalised borrowing costs on related borrowings before the asset is ready for intended use, and other relevant expenditures.

Construction in progress is transferred to fixed assets, intangible assets, investment properties or long-term prepaid expenses when the asset is ready for its intended use.

(XVIII) Borrowing costs

☒ Applicable ☐ Not Applicable

1. Recognition criteria of capitalization of borrowing costs

Borrowing costs of the Company that are directly attributable to the acquisition, construction or production of qualifying assets should be capitalized and included in the costs of related assets. Other borrowing costs are recognized as expenses at the amount on occurrence and are charged to the current profit or loss.

Assets meeting the capitalization requirements refers to fixed assets, investment properties and inventories, etc. that need to be purchased, constructed or produced for a long time to be available for intended use or sale.

2. Capitalization period for borrowing costs

Capitalization period refers to the period from commencement of capitalization of borrowing costs to its cessation. The period of capitalization suspension of borrowing costs is excluded.

Capitalization should commence when all the following three conditions are satisfied:

- (1) asset disbursements, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- (2) borrowing costs have occurred;
- (3) purchase, construction or manufacturing activities that are necessary to prepare the assets for their intended use are in progress.

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale condition.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XVIII) Borrowing costs (Continued)

3. *Period of capitalization suspension*

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted and such condition lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary procedures for the acquired, constructed or produced assets eligible for capitalization to reach their intended use or sale status, the borrowing costs continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the asset restarts.

4. *Calculation method of capitalization rate and capitalization amount of borrowing costs*

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in this period less the interest income of the borrowings unused and deposited in bank or return on temporary investment shall be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is determined via the calculation at the weighted average actual interest rate of general borrowings.

During capitalization period, exchange differences of principal and interest on foreign currency special borrowings shall be capitalized and included in the cost of assets eligible for capitalization. Exchange differences arising from the principal and interest of foreign currency borrowings other than special foreign currency borrowings are included in current profits or losses.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XIX) Right-of-use assets

☒ Applicable ☐ Not Applicable

The company's right-of-use assets include houses and buildings, means of transportation vehicles.

On the commencement date of the lease term, the company recognises its right to use the leased assets over the lease term as right-of-use assets, the amount of which includes: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease term less any lease incentives already received; any initial direct costs incurred by the lessee; an estimate of costs to be incurred by the lessee in dismantling and removing the leased asset, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease. the company depreciates the right-of-use assets by using the straight-line method. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the company shall depreciate the leased assets over the remaining useful life. If it is not reasonable to determine that the ownership of the leased assets can be obtained at the expiry of the lease term, the company shall depreciate the leased assets over the lease term or the remaining useful life of the leased assets, whichever is shorter.

the company shall remeasure lease liabilities according to the present value of the changed lease payments and adjust the book value of the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets is reduced to zero, yet there is still a further reduction in the measurement of the lease liabilities, the company recognises any remaining amount of the remeasurement in profit or loss for the period.

(XX) Intangible assets

1. *Measurement method of intangible assets*

(1) *The Company initially measures intangible assets at cost upon acquisition*

The costs of externally acquired intangible assets include their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the asset for its intended use.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XX) Intangible assets (Continued)

1. Measurement method of intangible assets (Continued)

(2) Subsequent measurement

The useful lives of intangible assets are analyzed on acquisition.

As for intangible assets with limited useful life, they will be amortized during the period when the intangible assets generate economic benefit for enterprise; if the period when the intangible assets generate economic benefit for enterprise cannot be predicted, the intangible assets will be deemed as those with indefinite useful life and should not be amortized.

2. Estimate of the useful life of the intangible assets with definite useful lives

☒ Applicable ☐ Not Applicable

Item	Estimated useful life (year)	Amortization method	Residual value rate (%)	Basis
Land-use Right	50	Straight-line method	0.00	Legal useful life
patent right	5-8	Straight-line depreciation	0.00	Estimated actual useful life
Software	5	Straight-line method	0.00	Estimated actual useful life
Unfinished contracts	2-3	Straight-line method	0.00	Estimated actual useful life
Customer relationship	5-9	Straight-line depreciation	0.00	Estimated actual useful life

Land use rights obtained by the company are usually accounted for as intangible assets. The land use rights of the self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets, respectively. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Intangible assets with the useful lives are amortised over their useful lives using the straight-line method. the company reviews the useful lives and the amortisation method for intangible assets with the useful lives at least once at each year-end, and makes adjustments when necessary.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XX) Intangible assets (Continued)

3. *Judgement base of intangible assets with indefinite useful lives and review procedure of useful lives*

☒ Applicable ☐ Not Applicable

The Company had no intangible assets with indefinite useful lives.

4. *Scope of research and the development expenditures*

Expenditures incurred in the course of research and development conducted by the company include employee compensation related to personnel engaged in research and development activities, consumable materials, related depreciation and amortization expenses, and other related expenditures, and are summarized as follows:

Employee compensation related to personnel engaged in research and development activities mainly refers to employee compensation related to personnel directly engaged in research and development activities as well as management personnel and direct service personnel closely related to research and development activities, consumable materials mainly refers to material costs actually incurred for the implementation of research and development activities, and related depreciation and amortization expenses mainly refers to depreciation expenses of instruments and equipment used for research and development activities.

5. *Specific criteria for classifying research and development stages*

Expenditure on an internal research and development project shall be classified into expenditure on the research phase and expenditure on development phase.

Research stage: it is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development phase: development phase is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XX) Intangible assets (Continued)

6. Capitalization conditions of expenditures in the development stage

The expenditures in research phase will be included in current profit or loss on occurrence. Expenditures in the development stage will be recognized as intangible assets only when the following conditions are simultaneously satisfied, and included in current profit or loss if the following conditions are not satisfied:

- (1) It is feasible technically to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;
- (4) It is able to finish the development of the intangible assets and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and
- (5) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

Where the research expenditures and the development expenditures are indistinguishable, the Company shall include research expenditures and development expenditures incurred in current profit or loss.

Where the research expenditures and the development expenditures are indistinguishable, the Company shall include research expenditures and development expenditures incurred in current profit or loss.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXI) Long-term assets impairment

☒ Applicable ☐ Not Applicable

For long-term equity investments, fixed assets, construction in progress, use-of-right assets, intangible assets with definite service life, and other long-term assets, if there are signs of impairment, an impairment test will be conducted on the balance sheet date. If the result of the impairment test shows that the recoverable amount of the asset is lower than its carrying amount, the provision for impairment shall be made and included in impairment loss. The recoverable amounts of intangible assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The asset impairment provision shall be calculated and recognized on the basis of single asset, if it is difficult to estimate the recoverable amount of the individual asset, the Company shall estimate the recoverable amount of the asset group that the individual asset belongs to. Asset group is the minimum combination of assets that can independently generate cash inflows.

Intangible assets that have not been ready for intended use are tested for impairment each year.

The Company has conducted impairment test for goodwill. The carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is difficult to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination.

In testing an asset group or a set of asset groups including goodwill for impairment, if there is indication of impairment, the Company shall first test the asset group or the set of asset groups excluding goodwill for impairment, calculate the recoverable amount and compare it with the related carrying amount and recognise the corresponding impairment loss. After that, the Group shall test the asset group or set of asset groups including goodwill for impairment. The carrying amount of the related asset group or set of asset group is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups and then, the carrying amount of other assets (excluding goodwill) within the asset group or set of asset groups pro rata based on the carrying amount of each asset. The above losses from assets impairment will not be reversed in subsequent accounting periods once recognized.

The above losses from assets impairment will not be reversed in subsequent accounting periods once recognized.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXII) Long-term deferred expenses

☒ Applicable ☐ Not Applicable

Long-term deferred expenses refer to the expenses which have been already incurred but will be borne in this period and in the future with an amortization period of over 1 year.

The amortisation period and amortisation method for each expense is:

Item	Amortisation method	Amortisation period (years)
Expenditure on improvement of fixed assets under operating leases	Straight-line method	2-5

(XXIII) Contract liabilities

☒ Applicable ☐ Not Applicable

The Company presents contractual assets or contractual liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. The Company's obligation to transfer goods or provide services to customers for consideration receivable for goods received is presented as contract liabilities. Contractual assets and contractual liabilities under the same contract are presented by their net amounts.

(XXIV) Employee compensation

1. Accounting treatment of short-term compensation

☒ Applicable ☐ Not Applicable

During the accounting period in which employees provide service to the Company, the short-term compensation actually incurred is recognized as liabilities and charged to the current profit or loss or the relevant assets cost.

The social insurance premiums and housing fund paid for employees by the Company, as well as the labor union expense and employee education expense accrued according to the provisions, shall be calculated according to the stipulated contribution base and proportion to determine the amount of corresponding employee compensation during the accounting period of employees providing services to the Company.

Employee benefits incurred by the Company are charged to current income or loss or the cost of related assets based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIV) Employee compensation (Continued)

2. Accounting treatment of post-employment benefits

☒ Applicable ☐ Not Applicable

(1) Defined contribution plan

The Company pays the basic endowment insurance premiums and unemployment insurance for employees according to the relevant provisions of the local governments. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the provisions of the local place is recognized as liabilities and included in the current profit or loss or costs associated with assets.

In addition, the employees of the company join in the Enterprise Annuity Plan of China Railway Signal & Communication Corporation Limited established by the company according to the state enterprise annuity system, the Company makes payments to the local social insurance institutions in a certain proportion to the total employee wage, with corresponding expense included in the current profit or loss or related asset cost. The company may not utilize any forfeited contributions to reduce the current contributions.

(2) Defined benefit scheme

The Company shall attribute the welfare obligations under the defined benefit scheme in accordance with the estimated accrued benefit method to the service period of relevant employee, and record the obligation in current profit or loss or costs of relevant assets.

The deficit or surplus generated from the present value of obligations of the defined benefit scheme minus the fair value of the assets of defined benefit scheme is recognized as net liabilities or net assets. When the defined benefit scheme has surplus, the Company will measure the net assets of the defined benefit scheme at the lower of the surplus of defined benefit scheme and the upper limit of the assets.

All defined benefit plans obligations, including the expected duty of payment within 12 months after the end of annual Reporting Period during which the staff provided service, were discounted based on the bond market yield of sovereign bond matching the term of defined benefit plans obligations and currency or corporate bonds of high quality in the active market on the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIV) Employee compensation (Continued)

2. Accounting treatment of post-employment benefits (Continued)

(2) Defined benefit scheme (CONTINUED)

The service cost incurred by defined benefit scheme and the net interest of the net liabilities and net assets of the defined benefit scheme would be charged into the current profits and loss or relevant costs of assets. The changes generated from the re-measurement of the net liabilities or net assets of the defined benefit scheme would be included in the other comprehensive income and are not reversed to profit or loss in a subsequent accounting period. The portion originally included in other comprehensive income is carried forward to unallocated profit to the extent of equity upon termination of the original defined benefit schemes.

When the defined benefit scheme is settled, the gain or loss is recognized based on the difference between the present value of obligations and the settlement price of the defined benefit scheme as at the balance sheet date.

3. Accounting treatment of dismissal benefits

☒ Applicable ☐ Not Applicable

As to providing employees dismissal benefits, employee compensation incurred from dismissal benefits should be recognized as liabilities and included in the current profit or loss at the date when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal or when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits (whichever is earlier).

4. Accounting methods for other long-term employee benefits

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXV) Lease liabilities

☒ Applicable ☐ Not Applicable

On the commencement date of the lease term, the company recognises the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and low-value asset leases. In calculating the present value of the lease payments, the company uses the leased interest rate as the discount rate; if the interest rate of the lease cannot be determined, the lessee's incremental borrowing rate is used as the discount rate. the company calculates interest expenses of lease liabilities in each period of the lease term based on the constant periodic interest rate and recognises the interest expenses in profit or loss for the current period, except for those that are stipulated to be recognised in related asset costs. The variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss when incurred, except for those that are stipulated to be recognised in related asset costs.

After the commencement date of the lease term, in the event of change in the actual fixed payment amount, change in the amount expected to be payable under a residual value guaranteed, change in the index or ratio used to determine the lease payment, or change in the assessment results or actual exercise rights of the call option, renewal option or termination option, the company re-measures the lease liability based on the present value of the changed lease payments.

(XXVI) Provisions

☒ Applicable ☐ Not Applicable

Where the obligation related to contingency meets all the following conditions simultaneously, it may be recognized as provisions by the Company:

- (1) This obligation is a present obligation of the Company;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Company;
and
- (3) The amount of the obligation can be measured reliably.

Provisions of the Company are initially measured as the best estimate of expenses required for the performance of relevant present obligations.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVI) Provisions (Continued)

When determining the best estimates, the Company comprehensively considers the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimate shall be determined after discounting the relevant future outflow of cash.

If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median range within the range; in other cases, the best estimate shall be accounted for as follows in different circumstances:

- If contingencies involve a single item, the best estimate shall be determined at the amount most likely incurred.
- If contingencies involve multiple items, the best estimate shall be calculated and determined at possible outcomes and related probabilities.

When all or part of the expenses necessary for the settlement of an estimated liability of the Company is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the compensation will be received. The amount recognized for the compensation should not exceed the carrying amount of the estimated liability.

On the balance sheet date, the carrying amount of provisions shall be reviewed. If there is conclusive evidence that the best estimate cannot be reflected, the carrying amount shall be adjusted based on the current best estimate.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVII) Other financial instruments

☒ Applicable ☐ Not Applicable

In accordance with the terms of the contract and the economic substance of the issued perpetual bonds reflected therein rather than in legal form only, the Company classifies the financial instrument or its components as financial assets, financial liabilities or equity instruments upon initial recognition.

Financial instruments such as perpetual bond issued by the Company meeting one of the following conditions, shall be classified as financial liabilities as a whole or its components at initial recognition:

- (1) The Company cannot unconditionally avoid contractual obligations performing by delivering cash or other financial assets;
- (2) Contract obligations including delivery of variable number of own equity instruments for settlement;
- (3) It includes derivative instruments that are settled by their own equity, and the derivative instruments cannot exchange fixed amount of cash or other financial assets with fixed amount of their own equity instruments for settlement;
- (4) There are contract terms that indirectly form contractual obligations;
- (5) When the issuer liquidates, the perpetual bonds are in the same order as the ordinary bonds and other debts issued by the issuer.

Financial instruments such as perpetual bonds/preference shares that do not meet any of the above conditions shall be classified as equity instruments at initial recognition.

The perpetual bonds issued by the company have no maturity date. After the maturity date, the company has the right to make unlimited renewals. For coupon interest of perpetual bonds, the company has the right to make deferred payment. Those that the company has no contractual obligation to pay cash or other financial assets shall be classified as equity instruments.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue

1. *Accounting policies adopted for income recognition and measurement*

☒ Applicable ☐ Not Applicable

The Company recognizes the income when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related goods or services. The acquisition of control over the related goods or services is defined as the ability to dominate the use of the goods or services and derive substantially all of the economic benefits therefrom.

Where the contract contains two or more performance obligations, the Company will, on the contract start date, allocate the transaction price to each individual performance obligation in the proportion of the individual selling price of the goods or services for which each individual performance obligation is committed. The Company measures revenue based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or provision of services to the customer, excluding amounts collected on behalf of third parties and amounts that the Company expects to refund to the customer. The Company determines the transaction price based on the terms of the contract, taking into account its past customary practice, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to the customer in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount not exceeding the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue at the time the relevant uncertainty is removed. For contracts with a significant financing component, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration over the term of the contract using the effective interest rate method.

If the Company meets one of the following conditions, it is deemed to fulfill the performance obligations within a certain period of time; otherwise, it is deemed to so at a certain point of time:

- The customer obtains and consumes the economic benefits brought by the Company's performance while the Company is performing the contract.
- The customer can control the commodities under construction during the Company's performance.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

1. *Accounting policies adopted for income recognition and measurement (Continued)*

- The commodities produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to receive payment for the accumulated performance of the contract so far throughout the contract period.

For performance obligations to be performed within a certain period of time, the Company recognizes revenue in accordance with the progress of performance over that period, except when the progress of performance cannot be reasonably determined. The Company determines the progress of performance using the output method or the input method, taking into account the nature of the goods or services. When there is no reasonable certainty of the progress of performance, revenue is recognized at the costs incurred when the costs incurred are expected to be reimbursed until the progress of performance can be reasonably determined.

The Company recognizes the income from the performance obligations to be performed at certain time, that is, when the customer obtained control of the related goods or services. In determining whether a customer has acquired control of goods or services, the Company considers the following indications:

- The Company has a present right to receive payment in respect of the commodity or services, i.e. the customer has a present payment obligation in respect of the commodity.
- The Company has transferred the legal title to the commodity to the customer, i.e. the customer has the legal title to the commodity.
- The Company has transferred the physical commodity to the customer, i.e. the customer has taken physical possession of the commodity.
- The Company has transferred to the customer the principal risks and rewards of ownership of the commodity, i.e. the customer has acquired principal risks and rewards with respect to the title to the commodity.
- The customer has accepted the goods or services, etc.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

2. Revenue recognition of the Company

☒ Applicable ☐ Not Applicable

(1) Sales agreement of goods

The sales agreement of goods entered into between the company and its customers usually only includes the performance obligations of the transferred goods. the company usually recognises the revenue at the time of transfer of control, taking into account the following factors: obtaining the current collection rights of the goods, transfer of the key risks and rewards of the ownership of the goods, transfer of the legal ownership of the goods, transfer of physical assets of goods and customers' acceptance of the goods.

(2) Service agreement

The service agreement entered into between the company and its customers usually includes performance obligations such as system integration. As the services provided by the company during the performance of the agreement have irreplaceable uses, and during the entire contract period, the company has the right to take the revenue from the completion of performance of the agreement accumulated to date as the performance obligation performed within a certain period of time, and recognise the revenue based on the performance progress, except where the performance progress cannot be reasonably determined. the company determines the performance progress for the services provided in accordance with the input method. When the performance progress cannot be reasonably determined, if the costs incurred by the company are expected to be compensated, the revenue will be recognised based on the amount of costs incurred, until the performance progress can be reasonably determined.

(3) Construction contract

The construction contract entered into between the company and its customers usually includes performance obligations such as construction services. As the customers can control the assets under construction in the performance of the company, the company considers them as performance obligations within a certain period of time, and recognises the revenue based on the performance progress, except where the performance progress cannot be reasonably determined. the company determines the performance progress for the services provided in accordance with the input method and the costs occurred. When the performance progress cannot be reasonably determined, if the costs incurred by the company are expected to be compensated, the revenue will be recognised based on the amount of costs incurred, until the performance progress can be reasonably determined.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

2. Revenue recognition of the Company (Continued)

(4) Variable considerations

The contracts between the company and its certain customers containing changes, claims and reward arrangements, which forms a variable consideration. the company determines the best estimate of the variable consideration based on the expected value or the most probable value. However, the sales price including variable considerations should not exceed the amount accumulatively recognised which is not likely to be significantly reversed when the uncertainty disappears.

(5) Return clauses

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the company reassesses the future return of sales and re-measures the above assets and liabilities.

(6) Significant financing component

If the contract includes significant financing component, the company determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when "control" of the goods is obtained by the customer. By discounting the nominal amount of the contract consideration to the discount rate of the current selling price of the goods, the difference between the transaction price determined and the contract consideration of the contract committed shall be amortised within the contract period using effective interest rate method. If the company expects that the period between when the company transfers a promised good to a customer and when the customer pays for that good will be one year or less, the company needs not to consider the significant financing component.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

2. Revenue recognition of the Company (Continued)

(7) Quality assurance obligation

According to the contractual agreement, legal provisions, etc., the company provides quality assurance for the goods sold or assets constructed. For assurance-type quality assurance to the customers to ensure that the goods sold meet the established standards, the company performs accounting treatment in accordance with Note V. 35. For service-type quality assurance for a separate service provided in addition to ensuring to the customers that the goods sold meet the established standards, the company considers it as a single performance obligation, and according to the relative proportion of the individual selling prices for providing quality assurance for goods and services, amortises part of the transaction price to the service-type quality assurance, and recognises the revenue when the customer obtains control of the service. In assessing whether the quality assurance provides a separate service in addition to ensuring to the customers that the goods sold meet the established standards, the company considers whether the quality assurance is a statutory requirement, a quality assurance period and the nature of the company's commitment to perform its tasks and other factors.

(8) Principal/agent

For the company to obtain control of the goods or other assets from a third party and then transfer it to the customer, the company has the right to determine the price of the goods traded at its own discretion, that is, the company is a principal if it controls the specified good before that good is transferred to a customer, and the revenue shall be recognised based on the total consideration received or receivable; otherwise, the company is an agent, and the revenue shall be recognised based on the amount of commission or handling fee that is expected to be charged, and such amount shall be determined based on the net amount of the total consideration received or receivable after deducting the prices payable to other related parties or according to the established commission amount or proportion.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

2. Revenue recognition of the Company (Continued)

(9) Change in contract

When there is a change to the construction contract entered into between the company and its customers:

- 1) If the change in contract adds a clearly distinguishable construction service and contract price, and the new contract price rejects the individual selling price of the new construction service, the company will consider the change in contract as a separate contract for accounting treatment;
- 2) If the change in contract does not fall within the circumstances stated in item (1) above, and the transferred construction service and the construction service which has not been transferred can be clearly distinguished at the date of change in contract, the company considers it as termination of the original contract, and at the same time, the non-performance part of the original contract and the modified part of the contract will be combined into a new contract for accounting treatment;
- 3) If the change in contract does not fall within the circumstances stated in item (1) above, and the transferred construction service and the construction service which has not been transferred cannot be clearly distinguished at the date of change in contract, the company will make the modified part of the contract as an integral part of the original contract for accounting treatment, of which the impact on the recognised revenue as a result of such change will be adjusted as the revenue for the period on the date of change in contract.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

2. Revenue recognition of the Company (Continued)

(10) Franchise contract ("BOT Contract")

The franchise activities under the BOT Contract usually include building, operation and transfer.

During the construction phase, the company recognizes the contractual income for construction services in accordance with the accounting policy of the construction contract above and determines whether the company is a principal responsible person or an agent in accordance with the accounting policy of the principal responsible person/agent above, and if the company is the principal responsible person, the revenue of the construction service is recognized for performance progress. the company recognises contract assets while recognising the revenue to the extent that it has an unconditional contractual right to receive a definite amount of cash or another nancial asset from the grantor within a certain period after the completion of the infrastructure prescribed in the contract; If the company is an agent, the construction service revenue is not recognised, and contract assets shall be recognised after considering the provisions in the contract with reference to the project consideration payable in the course of construction.

During the operation phase, the contract assets and the revenue are both recognised when services are provided and a receivable is recognised to the extent that the company has the right to receive the consideration (such right is conditional only on the passage of time); the daily maintenance or repair costs incurred are recognised as current expenses.

(11) Build and transfer contract ("BT Contract")

The activities under the BT Contract usually include building and transfer. For the construction services provided by the company, during the construction phase, the relevant construction service contract revenue is recognised in accordance with the accounting policies of the construction contract mentioned above. The construction contract revenue is measured at the fair value of the consideration receivable and the "long-term receivable" is recognised by using the effective interest BT Contract rate and measured at amortized cost, and is eliminated upon the receipt of payment from the owner.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXVIII) Revenue (Continued)

2. Revenue recognition of the Company (Continued)

(12) Interest income and expense

The “interest income” and “interest expense” in the company’s income statement are the interest income and expense from financial assets using the effective interest rate method at amortized cost, financial assets at fair value with changes recognised through other comprehensive income and financial liabilities at amortized cost.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument to the carrying amount of the financial asset or amortized cost of the financial liability. When calculating the effective interest rate, the company estimates expected cash flows considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all amounts paid or received by the company that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

For the financial assets acquired or originated with credit impairment, the company calculates the interest income according to the amortized cost of the financial assets and the effective interest rate after credit adjustment since the initial recognition by the company. The effective interest rate after credit adjustment refers to the estimated future cash flows of the acquired or originated financial assets with credit impairment in the expected duration, which is converted into the interest rate of amortized cost of the financial assets.

For the financial assets acquired or originated without any credit impairment, but incurred credit impairment in the subsequent period, the company calculates the interest income in accordance with the amortized cost and the effective interest rate of the financial assets.

(13) Fee and commission income

Fee and commission income are recognised in accordance with accrual basis principle over the service period.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXIX) Contract costs

☒ Applicable ☐ Not Applicable

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by the Company to perform a contract that are not regulated by the relevant standards, such as inventories, fixed assets or intangible assets, are recognized as a contract performance cost as an asset when the following conditions are met:

- Where such cost is directly related to a current or expected contract.
- Where such cost increases the resources of the Company for fulfilling its performance obligations in the future.
- Where such cost is expected to be recovered.

If the incremental cost of the Company is expected to be recovered, the contract acquisition cost shall be recognized as an asset.

Assets related to the contract costs are amortized on the same basis as the recognition of the revenue of the goods or services related to the asset; however, if the amortization period of the contract acquisition costs is less than one year, the Company will include such costs in the current profit or loss when incurred.

For the assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess and recognize it as asset impairment loss:

1. Where the remaining consideration is expected to be obtained by the transfer of goods or services related to the asset;
2. Where the costs are estimated to occur for the transfer of the relevant goods or services.

If the said difference is higher than the carrying amount of the asset due to changes in the impairment factors in the previous period, the originally accrued impairment reserve shall be reversed and included in the current profit or loss, but the reversed asset carrying amount shall not exceed the carrying amount of the asset on the date of reversal assuming that the impairment reserve is not accrued.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXX) Government subsidies

☒ Applicable ☐ Not Applicable

1. *Type*

Government subsidies are monetary assets freely obtained by the Company from the government for free, which are classified into government subsidies related to assets and government subsidies related to income.

Asset-related government subsidies refer to government subsidies obtained by the Company for forming long-term assets by acquisition, construction or other manners. Government subsidies related to income refer to government subsidies other than those related to assets.

2. *Timing of recognition*

Government subsidies shall be recognized only if the Company is able to comply with the conditions for the government subsidies, and is likely to receive the government subsidies.

3. *Accounting treatment*

Government subsidies related to assets shall be used to offset the carrying amount of relevant assets or recognized as deferred income. Where such subsidies are recognized as the deferred income, they will be included in current profit or loss in accordance with the reasonable and systematic methods within useful lives of related assets (where such subsidies are related to the daily activities of the Company, they will be included in other income; where such subsidies are not related to the daily activities of the Company, they will be included in non-operating income);

Government subsidies relating to income used to compensate for relevant costs or losses which will occur in the following period in the Company shall be recognized as deferred income, and, during the period when relevant costs or losses are recognized, be included in current profit or loss (where government subsidies relating to income are relevant to routine activities of the Company, such subsidies shall be included in other income; where government subsidies relating to income are irrelevant to routine activities of the Company, such subsidies shall be included in non-operating income) or used to offset relevant costs or losses; government subsidies relating to income used to compensate for relevant costs or losses incurred in the Company shall be included in current profit or loss (where such subsidies are related to daily activities of the Company, they will be included in other income; where such subsidies are related to the daily activities of the Company, they will be included in non-operating income) or used to offset relevant costs or losses.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXX) Government subsidies (Continued)

3. Accounting treatment (Continued)

The Company receives the interest grants with policy reference and treats in different ways in accordance with the following situations:

- (1) If the financial authorities allocate the interest subsidies to the lending bank, and the lending bank provides the loan to the Company at the preferential interest rate according to relevant policies, the Company takes the actually received loan amount as the recorded value of the loan, and calculates the relevant borrowing costs based on the loan principal and the preferential interest rate.
- (2) If the financial authorities directly allocate the interest subsidies to the Company, the Company will offset the corresponding interest subsidies against the relevant borrowing costs.

(XXXI) Deferred tax assets and deferred tax liabilities

☒ Applicable ☐ Not Applicable

Income tax includes the current income tax and deferred income tax. Except for the income tax arising from business mergers and such transactions or items as are directly included in shareholders' equity (including other comprehensive income), the Company shall include the current income tax and the deferred income tax in the current profit or loss.

Deferred tax assets and deferred tax liabilities are calculated and recognized based on differences (temporary differences) between tax base and carrying amount of the assets and liabilities.

Deferred tax assets are recognized at deductible temporary differences to the extent that it shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. For deductible losses and tax credits that can be carried forward to subsequent periods, the Company recognized deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible losses and tax credits can be utilized.

Taxable temporary differences are recognized as deferred tax liabilities except in special circumstances.

Such special circumstances include:

- Initial recognition of goodwill
- A transaction or event that is neither a business combination nor, when incurred, affects accounting profit and taxable income (or deductible loss).

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXI) Deferred tax assets and deferred tax liabilities (Continued)

For the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, the deferred tax liabilities should be recognized, unless that the timing of the reversal of the temporary differences is able to be controlled by the Company and the temporary differences will be probable not to be reversed in the foreseeable future. For deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be used, the deferred tax asset will be recognized.

On the balance sheet date, deferred tax assets and deferred tax liabilities should be measured at the applicable tax rate during the period of expected recovery of the relevant assets or liquidation of the relevant assets according to the provisions of tax laws.

On the balance sheet date, the Company reviews the carrying amount of deferred tax assets. If it is unlikely to obtain sufficient taxable income taxes to offset the benefit of the deferred tax assets, the carrying amount of the deferred tax assets shall be written down. When it is likely to earn sufficient taxable income, the write-down amount should be reversed.

If the Company has the legal right of netting and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current tax assets and current tax liabilities of the Company shall be presented based on the net amount after offset.

On the balance sheet date, deferred tax assets and deferred tax liabilities shall be listed by the net amount after offset if:

- The taxpayer has the statutory right to settle the current tax assets and current tax liabilities with net amount;
- Deferred tax assets and deferred tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or on different taxpayers, but, in each important future period in connection with the reverse of deferred tax assets and liabilities, the involved taxpayer intends to balance tax assets and liabilities for this period with net settlement at the time of obtaining assets and discharging liabilities, deferred tax assets and deferred tax liabilities shall be presented based on the net amount after offset.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases

☒ Applicable ☐ Not Applicable

Lease refers to a contract in which the lessor transfers the right to use the assets to the lessee within a certain period to obtain consideration. On the contract commencement date, the Company evaluates whether the contract is or includes a lease. If a party to the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is or includes a lease.

If the contract contains multiple separate leases at the same time, the Company may split the contract, and account for each lease separately. If the contract includes both lease and non-lease parts, the lessee and the lessor shall split them.

1. *The Company as the lessee*

☒ Applicable ☐ Not Applicable

(1) *Right-of-use assets*

At the commencement of the lease term, the Company recognizes the right-of-use assets for leases other than short-term and low-value asset leases. Right-of-use assets are initially measured at cost, which includes:

- The initial measurement amount of the lease liability;
- The lease payment made on or before the commencement of the lease term, or the relevant amount after deducting the lease incentive already enjoyed if any;
- Initial direct costs incurred by the Company;
- The Company expects to incur costs for dismantling and removing leased assets, restoring the site of the leased assets to its original condition, or restoring leased assets to their original condition, excluding costs incurred for the production of inventories.

The Company subsequently adopts the straight-line method to accrue depreciation for the right-of-use assets. If ownership of the leased assets can be obtained with reasonable certainty at the end of the lease term, the Company depreciates the leased assets over their remaining useful lives; otherwise, the leased assets are depreciated over the shorter of the lease term and the remaining useful life of the leased assets.

The Bank determines whether a right-of-use asset is impaired and accounts for the identified impairment loss in accordance with the principles described in Note V. (XXI) "Impairment of long-term assets."

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases (Continued)

1. The Company as the lessee (Continued)

(2) Lease Liabilities

At the commencement of the lease term, the Company recognizes lease liabilities for leases other than short-term and low-value asset leases. The lease liabilities are initially measured at the present value of the unpaid lease payments. Lease payments include:

- Fixed payment (including substantial fixed payment), and the relevant amount after deducting the lease incentive if any;
- Variable lease payments depending on index or ratio;
- Estimated payments due according to the guaranteed residual value provided by the Company;
- Exercise price of the purchased option, provided that the Company reasonably determines that the option will be exercised;
- The amount to be paid for the exercise of the lease termination options, provided that the lease term reflects that the Company will exercise the options to terminate the lease;

The Company uses the interest rate implicit in lease as the discount rate, but if the interest rate implicit in the lease cannot be reasonably determined, the Company uses the incremental borrowing rate as the discount rate.

The Company calculates the interest expense of the lease liabilities in each the lease term at a fixed periodic interest rate, and includes it in the current profit or loss or related asset costs.

Variable lease payments that are not included in the lease liabilities are included in current profit or loss or related asset costs when incurred.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases (Continued)

1. The Company as the lessee (Continued)

(2) Lease Liabilities (Continued)

The Company remeasures the lease liability and adjusts the corresponding right-of-use asset if, after the lease commencement date, the following circumstances occur. If the carrying amount of the right-of-use asset is reduced to zero, but the lease liability is still subject to further reduction, the difference is recognized in profit or loss:

- When the appraisal results of the purchase option, lease renewal option or termination option change, or when the actual exercise of the aforementioned options is inconsistent with the original appraisal results, the Company re-measures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value or a change in the index or rate used to determine the lease payment amount, the Company re-measures the lease liability at the present value calculated from the changed lease payment amount and the original discount rate. However, if the change in the lease payment amount results from a change in the floating interest rate, the present value is calculated using the revised discount rate.

(3) Short-term and low-value asset leases

The Company chooses not to recognize the right-of-use assets and lease liabilities for short-term and low-value asset leases, and includes the related lease payments in the current profit or loss or related asset costs with the straight-line method in each lease term. Short-term lease refers to a lease that lasts for no more than 12 months and includes no purchase options at the commencement of the lease term. Low-value asset lease refers to a lease with lower value when the individual leased assets are brand new assets. If the Company sublets or anticipates subletting the leased assets, the original lease is not a low-value asset lease.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases (Continued)

1. The Company as the lessee (Continued)

(4) Lease change

If a lease changes and meets all the following conditions, the Company will account for the lease change as a separate lease:

- The lease change expands the scope of the lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the individual price of the expanded part adjusted according to the contract.

If the lease change is not accounted for as a separate lease, the Company shall, on the effective date of the lease change, re-allocate the consideration of the changed contract, re-determine the lease term, and remeasure the lease liabilities at the present value calculated based on the changed lease payment and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the carrying amount of the right-of-use asset accordingly and recognizes the gain or loss related to the partial or complete termination of the lease in current profit or loss. If other lease changes result in a remeasurement of the lease liability, the Company adjusts the carrying amount of the right-of-use asset accordingly.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases (Continued)

2. The Company as lessor

☒ Applicable ☐ Not Applicable

On the lease commencement date, the Company divides the lease into financial lease and operating lease. Financial leasing refers to the leasing that transfers almost all the risks and returns related to the ownership of the leased asset, regardless of whether the ownership is ultimately transferred or not. The term "operating lease" refers to a lease other than a financial lease. When the Company is the sub-lessee, the sublease is classified based on the right-to-use assets generated from the original lease contract.

(1) Accounting for operating lease

The lease amount received under operating leases are recognized as rental income according to the straight-line method in each period of the lease term. The Company capitalizes the initial direct expenses related to operating lease and amortizes them into the current profit and loss according to the same basis as the recognition of rental income during the lease term. The variable lease payments excluded from the lease receipts shall be included in the current profits and losses when they are actually incurred. In case of any change in the operating lease, the Company will make the accounting treatment for it as a new lease from the effective date of the change, and the amount received in advance or lease receivables before the change will be regarded as the receivables from the new lease.

(2) Accounting for financial lease

On the lease commencement date, the Company recognizes the financial lease receivable and derecognizes the financial lease assets. The net investment in the lease is taken as the entry value of the financial lease receivable as the Company initially measures the financial lease receivable. The net investment in a lease is the sum of the present value of the unguaranteed residual value and future lease payments at the beginning of the lease term, discounted at the interest rate implicit in lease.

The Company calculates and recognizes the interest income of each period in the lease term according to the fixed periodic interest rate. The derecognition and impairment of financial lease receivables shall be accounted for in accordance with the requirements set out in Note "III. (X) Financial Instruments".

The variable lease payments excluded from the measurement of net investment in lease shall be included in the current profit and loss when they are actually incurred.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases (Continued)

2. The Company as lessor (Continued)

(2) Accounting for financial lease (Continued)

If the financial lease changes and meets the following conditions at the same time, the Company will treat the change as a separate lease for accounting treatment:

- The change expands the lease scope by increasing the right-to-use of one or more leased assets;
- The increased consideration is equivalent to the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

If the change of financial lease is not accounted for as a separate lease, the Company will deal with the changed lease under the following circumstances:

- If the change takes effect on the lease commencement date, the lease will be classified as an operating lease, and the Company will treat it as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the carrying amount of the leased assets;
- If the change takes effect on the commencement date of the lease, the lease will be classified as a financial lease, and the Company will carry out accounting treatment according to the policy on modifying or renegotiating a contract set out in "Note III. (X) Financial Instruments".

3. Sale and leaseback transaction

The Company assesses and determines whether the asset transfer in the sale and leaseback transaction is sale according to the principles set out in Note "V. (XXVIII) Revenue".

(1) The Company as lessee

If the asset transfer in the sale and leaseback transaction is a sale, the Company, as the lessee, measures the right-of-use assets according to the carrying amount of the original assets regarding the right-of-use obtained by the leaseback, and only recognizes the relevant gains or losses for the right transferred to the lessor. If the asset transfer in the sale and leaseback transaction is not a sale, the Company, as the lessee, continues to recognize the transferred assets and recognize a financial liability whose amount equal to the transferred income at the same time. For the accounting treatment of financial liabilities, please refer to Note "V. (X) Financial Instruments".

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXII) Leases (Continued)

3. *Sale and leaseback transaction (Continued)*

(2) *The Company as a lessor*

If the asset transfer in the sale and leaseback transaction is considered as sales, the Company, as the lessor, shall record the asset purchase and the asset lease in accordance with the policy in the aforesaid "2. The Company as lessor"; If the asset transfer in the sale and leaseback transaction is not considered as sales, the Company, as the lessor, shall not recognize the transferred asset, but recognize an equal amount in financial assets. For the accounting treatment of financial assets, please refer to Note "V. (X) Financial Instruments".

(XXXIII) Discontinued operations

Discontinued operations refer to the component meeting any of the following conditions that can be separately distinguished and that has been disposed by the Company or classified as held for sale by the Company:

- (1) The component represents an independent major business or a sole major business area;
- (2) The component is a part of a related plan on intended disposal of an independent major business or a sole major business area; or
- (3) The component is a subsidiary acquired only for re-sale.

Profit or loss from continued operation and profit or loss from discontinued operation are listed respectively in the income statement. Loss from discontinued operation, reversed amount and other profit or loss from operation as well as the profit or loss from disposal are presented as the profit or loss from discontinued operation. For the discontinued operation presented in the current period, the Company presents the information which has originally presented as the profit or loss from continued operation as the profit or loss from discontinued operation for the comparable accounting period in the financial statements for the current period.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIV) Hedge Accounting

1. *Classification of hedging*

- (1) Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (except foreign exchange risk).
- (2) Cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.
- (3) Hedge of a net investment in a foreign operation is a hedge of the exposure to foreign exchange risk associated with a net investment in a foreign operation. Net investment in a foreign operation is the share of interest in the net asset of the foreign operation.

2. *Designation of the hedge relationship and recognition of the effectiveness of hedging*

At the inception of a hedge relationship, the Company formally designates the hedge relationship and documents the hedge relationship, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the nature and quantity of the hedging instrument, the nature and quantity of the hedged item, the nature of the risk being hedged, the type of hedging and how the Company will assess the hedging instrument's effectiveness. Hedging instrument's effectiveness means the degree of the change of fair value and cash flow of the hedging instrument in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

The hedge is assessed by the Company for effectiveness on an ongoing basis and judged whether it meets the requirements for the effectiveness of using hedge accounting throughout the accounting periods for which the hedging relationship was designated. Provided the discontent of the requirements, the application of a hedge shall be terminated.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIV) Hedge Accounting (Continued)

2. *Designation of the hedge relationship and recognition of the effectiveness of hedging (Continued)*

The application of hedge accounting shall meet the following requirements on the effectiveness of the hedge:

- (1) There is an economic relationship between the hedged item and the hedging instrument.
- (2) The effect of credit risk does not dominate the value changes that result from that economic relationship.
- (3) The appropriate hedge ratio will not cause the imbalance of relative weight between the hedged item and the hedging instrument, thus generating accounting results inconsistent with the hedge accounting objectives. If the hedge ratio is no longer inappropriate, but the hedge risk management objectives do not change, the amount of the hedged item or the hedging instrument shall be adjusted, so that the hedge ratio can re-meet the requirements on the effectiveness.

3. *Criteria for hedge accounting*

(1) *Fair value hedges*

The change in the fair value of a hedging derivative is recognized in the current profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognized in the current profit or loss.

For fair value hedges relating to financial instruments carried at amortized cost, the adjustment to carrying amount is amortized through the current profit or loss over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortized to the current profit or loss. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in the current profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the current profit or loss. The changes in the fair value of the hedging instrument are also recognized in the current profit or loss.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIV) Hedge Accounting (Continued)

3. *Criteria for hedge accounting (Continued)*

(2) *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income, while the ineffective portion is recognized immediately in the current profit or loss.

Amounts taken to other comprehensive income are transferred to the current profit or loss when the hedged transaction affects the current profit or loss, such as when hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability (or originally recognized in other comprehensive income, and transferred in the same period as the profit and loss is affected by the non-financial assets and non-financial debts, the amounts shall be included in the current profit or loss).

If the forecast transaction or firm commitment is no longer expected to occur, the amounts previously recognized in other comprehensive income are transferred to the current profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, the amounts previously recognised in other comprehensive income remain in there until the forecast transaction or firm commitment affects the current profit or loss.

(3) *Hedges of a net investment in a foreign operation*

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the current profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the current profit or loss.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Debt Restructuring

1. *With the Company as a creditor*

The Company ceases to recognise claim when the contractual right to receive the cash flows from the claim is terminated. In the case of debt restructuring through the settlement of debt with assets or the conversion of debt into equity instruments, the Company recognises the relevant assets when they meet their definitions and recognition criteria.

In the case of debt restructuring through the settlement of debt with assets, the Company initially recognises the acquired non-financial assets, which are measured at cost. The cost of inventory includes the fair value of the waived claim and other costs directly attributable to bringing the asset to its present location and condition, such as taxes, transportation fees, loading and unloading fees, insurance fees, and so on. The cost of an investment in an associate or a joint venture includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of investment property includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of fixed assets includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes, transportation fees, loading and unloading fees, installation fees, professional service fees, etc., incurred before the asset reaches its intended usable state. The cost of biological assets includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes, transportation fees, and insurance fees. The cost of intangible assets includes the fair value of the waived claim and other costs directly attributable to preparing the asset for its intended use, such as taxes. In the case of debt restructuring through the conversion of debt into equity instruments, which results in the creditor converting the claim into an equity investment in an associate or a joint venture, the Company measures the initial investment cost at the fair value of the waived claim and other costs (including taxes) directly attributable to the asset. The difference between the fair value of the waived claim and its carrying amount is recognised in profit or loss for the current period.

In the case of debt restructuring through the modification of other terms, the Company recognises and measures the restructured claim in accordance with the section “V. (X) Financial Instruments” in the notes.

Where debt restructuring is carried out through the settlement of debt with multiple assets or a combination of methods, the Company first recognises and measures the acquired financial assets and the restructured claim in accordance with the section “V. (X) Financial Instruments” in the notes, and then allocates the net amount of the fair value of the waived claim after deducting the recognised amount of the acquired financial assets and the restructured claim, based on the proportion of the fair values of the assets other than the acquired financial assets, and determines the cost of each asset using the aforementioned methods. The difference between the fair value of the waived claim and its carrying amount is recognised in profit or loss for the current period.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXV) Debt Restructuring (Continued)

2. *With the Company as a debtor*

The Company derecognizes a liability when the present obligation for the debt is discharged.

In the case of debt restructuring through the settlement of debt with assets, the Company derecognizes the relevant assets and the settled debt when the derecognition criteria are met. The difference between the carrying amount of the settled debt and the carrying amount of the transferred assets is recognised in profit or loss for the current period.

In the case of debt restructuring through the conversion of debt into equity instruments, the Company derecognizes the settled debt when the derecognition criteria are met. Upon initial recognition of the equity instruments, the Company measures them at fair value. If the fair value of the equity instruments cannot be reliably measured, the Company measures based on the fair value of the settled debt. The difference between the carrying amount of the settled debt and the recognised amount of the equity instruments is recognised in profit or loss for the current period.

In the case of debt restructuring through the modification of other terms, the Company recognizes and measures the restructured liability in accordance with the section "V. (X) Financial Instruments" in the notes.

In the case of debt restructuring through the settlement of debt with multiple assets or a combination of methods, the Company recognizes and measures the equity instruments and restructured liability using the aforementioned methods. The difference between the carrying amount of the settled debt and the sum of the carrying amount of the transferred assets and the recognised amounts of the equity instruments and restructured liability is recognised in profit or loss for the current period.

(XXXVI) Segment report

The Company determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

Operating segment refers to the component parts of the Company that meet the following conditions at the same time: (1) the component parts can generate income and incur expenses in daily activities; (2) the Company's management can regularly evaluate the operating results thereof in order to decide allocation of resources and evaluate their performance; and (3) the Company can obtain relevant accounting information such as the financial status, operating results and cash flows of the component parts. If two or more operating segments have similar economic characteristics, and have met a certain condition, they will be merged into one operating segment.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVII) Fair Value Measurement

The Company measures the relevant assets or liabilities at fair value based on the following assumptions:

- The sale of assets or the transfer of liabilities between market participants on the measurement date is conducted in an orderly transaction under current market conditions.
- The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the most advantageous market for the asset or liability when a principal market is absent.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

According to the nature of the said transaction and the characteristic of the said assets or liabilities, the Company recognizes the transaction value as the fair value of initial recognition.

If other relevant accounting standards require or permit the Company to conduct initial measurement on the relevant assets or liabilities at the said fair value, and the transaction value is different from the fair value, the Company will include relevant gains or losses in the current profit or loss, unless otherwise specified in other relevant accounting standards.

For the measurement of non-financial assets at fair value, the capability of the market participant in bringing about economic interest via the best use of such assets, or the capability in selling such assets to the other market participant for bringing about economic interest with the best use of such assets should be taken into account.

The valuation techniques which are applicable to the current situation and have sufficient usable data and other information support are taken into account by the Company for the adoption of valuation technique. Relevant observable input values are preferentially adopted for valuation techniques, and the unobservable input values can be used only when the observable input values are unable or unpractical to be obtained.

Input values used in the fair value measurement are divided into three levels:

- Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2-Input that is observable for related assets or liabilities, either directly or indirectly, but other than the input of the Level 1;
- Level 3-Input that is unobservable for related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXVII) Fair Value Measurement (Continued)

The level of the measurement result of fair value shall be subject to the lowest level which the input that is of great significance to the measurement of fair value as a whole.

The Company's assets and liabilities measured at fair value mainly include: financial assets held for trading, receivables for financing, other equity instrument investments, other non-current financial assets and financial liabilities held for trading.

(XXXVIII) Safety production expenses

The Company shall withdraw the maintenance expenses in accordance with the relevant provisions of the Notice of the Ministry of Emergency Management and the Ministry of Finance on Issuing the Management Measures for the Withdrawal and Use of Enterprise Safety Production Expenses (CZ [2022] No.136).

The safety production and maintenance expenses shall be included in the cost of related products or current profit and loss at time of withdrawal and in the "special reserve" account.

Such safety production and maintenance expenses withdrawn as are used within the prescribed scope and belong to cost expenditure can directly write down the special reserve; if a fixed asset is formed, the expenditure incurred through the collection of "construction items under construction" account will be recognized as a fixed asset when the safety project is completed and reaches the intended use state; in addition, the special reserve is written down based on the costs that form the fixed assets, and the accumulated depreciation of the same amount is recognized. The fixed assets shall not be depreciated in subsequent periods.

(XXXIX) Major Accounting Estimates and Judgements

☒ Applicable ☐ Not Applicable

The preparation of the financial statements requires management to make judgements, estimations and assumption that affect the reported amounts and disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimations could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIX) Major Accounting Estimates and Judgements (Continued)

1. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

(1) Operating leases – the Group as lessor

The Company has entered into operating leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(2) Determination of progress towards completion of the performance of obligations for construction contracts

The Company uses the input method to determine the progress towards completion of the performance obligations for the construction contracts. To be specific, the Company determines the progress towards completion of the performance obligations on the basis of the percentage of the accumulative actual construction costs incurred to the expected total costs. The accumulative actual costs include the direct and indirect costs incurred during the process of transferring goods to the customers. The Company believes that the construction contract price with the customers is determined on the basis of the construction costs, and the actual construction costs as a percentage of the estimated total costs can accurately reflect the progress of the construction service. The Company determines the progress of contract performance based on the proportion of the cumulative actual construction costs to the estimated total costs, and recognizes revenue accordingly. In view of the long duration of construction contracts, which may span several accounting periods, the Company will review and revise the budget as the construction contracts progress, and adjust the income recognition amount accordingly.

(3) The division of research stage and development stage of research and development project

The Company distinguishes between the research and development stages of internal research and development projects, the research phase for original planned surveys to acquire and understand new scientific or technical knowledge, and the application of research results or other knowledge to a programme or design prior to commercial production or use to produce new or substantially improved materials, installations, products, etc.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIX) Major Accounting Estimates and Judgements (Continued)

2. Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

(1) Construction contracts and labour service results

The Company recognises revenue based on the percentage of completion of individual contracts providing construction contracts and labour services. The management estimates the percentage of project completion based on the actual costs involved in the total budgeted costs and also estimates the relevant contract revenue. Due to the nature of the activities carried out in the contracts, the dates of the activities and the dates of completion of the activities are usually classified into different accounting periods. The Company will review and revise the budget and contract cost estimates as the contracts progress (if the actual contract revenue is less than the estimated or actual contract costs, provision for the estimated contract losses is to be made).

(2) Impairment of financial instruments and contract assets

The Company has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgement and estimates, the Company estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Differences in estimates may have an impact on the provision for Impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

(3) Impairment of non-current assets other than financial assets (excluding goodwill)

The Company assesses whether there are any indicators of impairment for non-current assets other than financial assets as at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIX) Major Accounting Estimates and Judgements (Continued)

2. *Estimation uncertainty (Continued)*

(4) *Impairment of goodwill*

Goodwill is tested for impairment at least annually. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Company estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flow and selecting a suitable discount rate.

(5) *Impairment of inventories*

The Company determines the write-down for obsolescence of inventories. These estimates are made with reference to aged inventory analyses, projections of expected future sales of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realizable values. Due to changes in market conditions, actual sales of goods may be different from estimation and profit or loss in the current period could be affected by differences in this estimation.

(6) *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(7) *Measurement of defined benefit scheme obligations*

The Company has recognised the supplementary retirement benefits under the defined benefit scheme as a liability. The estimated amount of these welfare expenses and liabilities shall be calculated and paid on the basis of various assumptions. These assumptions include the discount rate, the growth rate of welfare expenses during relevant period, as well as other factors. Deviations between actual results and actuarial assumptions will affect the accuracy of the relevant accounting estimates. Although the management believes that the above assumptions are reasonable, any changes in assumptions shall still affect the estimated liabilities of the relevant supplementary pension insurance and other external welfare plans.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XXXIX) Major Accounting Estimates and Judgements (Continued)

2. *Estimation uncertainty (Continued)*

(8) *Useful lives and residual values of fixed assets*

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Company will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete. In determining the useful lives and net residual values of fixed assets, the Company periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Company with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the net residual values of fixed assets are less than previous estimation. Useful lives and net residual values are reviewed, at each settlement date, based on changes in circumstances.

(9) *Lessee's incremental borrowing rate*

For a lease whose rate cannot be readily determined, the Company adopts lessee's incremental borrowing rate as the discount rate in estimating the present value of the lease payment. When determining the incremental borrowing interest rate, the Company uses the observable interest rate as a reference basis for determining the incremental borrowing rate according to the economic environment in which it is located and, on this basis, adjusts the reference interest rate according to the specific circumstances of the lease business, such as its own conditions, the underlying asset's condition, the lease term and the amount of the lease liability for obtaining an appropriate incremental borrowing rate.

(10) *Quality guarantee*

The Company will make a reasonable estimate of the warranty rate for the contract combination with similar characteristics based on historical warranty data and current warranty conditions, taking into account all relevant information such as product improvement and market changes. The estimate of the warranty rate may not be equal to the actual warranty rate in the future. The Company re-evaluates the warranty rate at least on each balance sheet date and determines the estimated liabilities based on the re-evaluated warranty rate.

(XL) Changes in significant accounting policies and accounting estimates

1. *Changes in major accounting policies*

☒ Applicable ☐ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XL) Changes in significant accounting policies and accounting estimates (Continued)

1. Changes in major accounting policies (Continued)

- (1) *Implementation of Accounting Standards for Business Enterprises Interpretation No. 17*

On 25 October 2023, the Ministry of Finance promulgated the Accounting Standards for Business Enterprises Interpretation No. 17 (Cai Kuai [2023] No. 21, hereinafter referred to as "Interpretation No. 17").

- ① Classification of current liabilities and non-current liabilities

Interpretation No. 17 clarifies:

- If an enterprise does not have the substantive right to defer the settlement of a liability for more than one year after the balance sheet date, the liability shall be classified as a current liability.
- For liabilities arising from loan arrangements, the enterprise's right to defer the settlement of the liability for more than one year after the balance sheet date may depend on whether the enterprise has complied with the conditions specified in the loan arrangement (hereinafter referred to as "covenant conditions"). When assessing whether the substantive right to defer debt settlement exists, the enterprise shall only consider the covenant conditions that are required to be met on or before the balance sheet date and shall not consider the covenant conditions that are required to be met after the balance sheet date.
- The settlement of liabilities for the purpose of classifying their liquidity refers to the discharge of liabilities by the enterprise through the transfer of cash, other economic resources (such as goods or services), or the enterprise's own equity instruments to the counterparty. If the terms of the liability allow the enterprise to settle the liability by delivering its own equity instruments at the option of the counterparty, and if the enterprise classifies such option as an equity instrument and separately recognises it as the equity component of a compound financial instrument in accordance with the provisions of Accounting Standards for Business Enterprises No. 37–Presentation of Financial Instruments, this clause shall not affect the classification of the liability's liquidity.

This interpretation shall be effective from 1 January 2024. Upon initial application of this interpretation, enterprises shall adjust comparative period information in accordance with the provisions of this interpretation. The implementation of this interpretation has not had a significant impact on the financial position or operating results of the Company.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XL) Changes in significant accounting policies and accounting estimates (Continued)

1. Changes in major accounting policies (Continued)

(1) Implementation of Accounting Standards for Business Enterprises Interpretation No. 17 (Continued)

② Disclosure of supplier financing arrangements

Interpretation No. 17 requires an enterprise to disclose aggregated information related to supplier financing arrangements in the notes to the financial statements, to help users of the financial statements assess the impact of these arrangements on the enterprise's liabilities, cash flows, and exposure to liquidity risk. The impact of supplier financing arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure requirement applies only to supplier financing arrangements. Supplier financing arrangements refer to transactions with the following characteristics: one or more financing providers provide funds to pay the enterprise's suppliers on its behalf, and they agree that the enterprise shall repay the financing providers on or after the day the supplier receives payment, according to the terms and conditions of the arrangement. Compared to the original payment due date, supplier financing arrangements extend the enterprise's payment period or advance the supplier's receipt period.

This interpretation is effective from 1 January 2024. Upon initial application, enterprises are not required to disclose comparative period information or certain initial period information. The implementation of this interpretation has not had a significant impact on the financial position or operating results of the Company.

③ Accounting treatment for sale and leaseback transactions

Interpretation No. 17 stipulates that, in the subsequent measurement of lease liabilities arising from sale and leaseback transactions, the method used to determine lease payments or modified lease payments must not result in the recognition of gains or losses related to the right-of-use asset obtained through the leaseback. Upon initial application of this provision, enterprises shall retrospectively adjust sale and leaseback transactions conducted after the initial application date of Accounting Standards for Business Enterprises No. 21–Leases.

This interpretation is effective from 1 January 2024, allowing enterprises to apply it in advance from the year of issuance. The Company has adopted this interpretation from 1 January 2024, and its implementation has not had a significant impact on the financial position or operating results of the Company.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XL) Changes in significant accounting policies and accounting estimates (Continued)

1. Changes in major accounting policies (Continued)

(2) *Implementation of the Interim Provisions on Accounting Treatment of Enterprise Data Resources*

On 1 August 2023, the Ministry of Finance issued the *Interim Provisions on Accounting Treatment of Enterprise Data Resources* (Cai Kuai [2023] No. 11), which applies to data resources that meet the criteria for recognition as intangible assets or inventory under the relevant accounting standards, as well as data resources legally owned or controlled by the enterprise that are expected to generate economic benefits but do not meet the criteria for asset recognition. The provisions also specify detailed requirements for the disclosure of data resources.

These provisions are effective from 1 January 2024. Enterprises shall apply the prospective method, and no adjustments shall be made to expenses related to data resources that were previously recognized in profit or loss before the effective date. The implementation of these provisions has not had a significant impact on the financial position or operating results of our company.

(3) *Implementation of Accounting Standards for Business Enterprises Interpretation No. 18 on "Accounting Treatment of Assurance-Type Quality Assurance Not Constituting a Single Performance Obligation"*

On 6 December 2024, the Ministry of Finance issued Accounting Standards for Business Enterprises Interpretation No. 18 (Cai Kuai [2024] No. 24, hereinafter referred to as "Interpretation No. 18"). This interpretation is effective from the date of issuance and allows enterprises to apply it early from the year of issuance.

Interpretation No. 18 stipulates that, when accounting for estimated liabilities arising from assurance-type quality assurance that do not constitute a single performance obligation, enterprises shall debit accounts such as "cost of goods sold" or "other operating costs" and credit the "estimated liabilities" account in accordance with the relevant provisions of Accounting Standards for Business Enterprises No. 13–Contingencies. The corresponding amounts shall be presented in the "operating costs" item in the income statement and the "other current liabilities," "non-current liabilities due within one year," and "estimated liabilities" items in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(XL) Changes in significant accounting policies and accounting estimates (Continued)

1. Changes in major accounting policies (Continued)

- (3) *Implementation of Accounting Standards for Business Enterprises Interpretation No. 18 on "Accounting Treatment of Assurance-Type Quality Assurance Not Constituting a Single Performance Obligation" (Continued)*

Upon initial application of this interpretation, if assurance-type quality assurance were previously recognised in "Selling Expenses" or similar items, enterprises shall retrospectively adjust according to the accounting policy change. The main impact of the Company's implementing this provision from 2024 is as follows:

The content and reasons for changes in accounting policies	Affected items	Consolidation		Parent company	
		2024	2023	2024	2023
Assurance-type quality assurance	Selling expenses	-75,265,883.44	-49,036,908.88	-	-
	Cost of goods sold	75,265,883.44	49,036,908.88	-	-

2. Changes in significant accounting estimates

☐ Applicable ☒ Not Applicable

3. First implementation of new accounting standards or interpretations of standards from 2024, involving adjustments to the financial statements at the beginning of the year of first implementation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION

(I) Main taxes and tax rates

☒ Applicable ☐ Not Applicable

Category	Tax determination basis	Tax rate (%)
Value-added tax	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax for the current period	6%, 9%, 13%
Urban maintenance and construction tax	Levied on the basis of VAT and consumption tax actually paid	5%, 7%
Corporate income tax	Levied on the basis of taxable profits	15%, 16.5%, 20%, 25%

Disclosure statement of taxable entities subject to different enterprise income tax rates

☒ Applicable ☐ Not Applicable

Name of taxable entities	Income tax rate (%)
CRSC International Holdings	16.5
CRSC Guangdong, Hong Kong and Macau (Guangzhou) Transportation Technology Co., Ltd.	15
Beijing Modern Tonghao Engineering Consulting Co., Ltd.	15
Beijing Railway Signal Co., Ltd.	15
Research & Design Institute	15
Tianshui Railway Cable Co., Ltd.	15
Jiaozuo Railway Cable Co., Ltd.	15
Changsha Railway	15
Shenyang Railway Signal Co., Ltd.	15
Tianjin Railway Signal Co., Ltd.	15
Xi'an Railway Signal Co., Ltd.	15
Shanghai Railway Communication Co., Ltd.	15
Shanghai DEUTA Electronic & Electrical Equipment Co., Ltd.	15
CASCO	15
Chengdu Railway Communication Equipment Co., Ltd.	15
CASCO Signal (Chengdu) Co., Ltd.	15

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(I) Main taxes and tax rates (Continued)

Name of taxable entities	Income tax rate (%)
CASCO Signal (Zhengzhou) Co., Ltd.	15
CASCO (Xi'an) Co., Ltd.	15
Beijing Norrath Stantefon Communication Equipment Co., Ltd.	15
CRSCIC	15
CRSC Communication & Information Group Shanghai Company Ltd.	15
CRSC Information Industry Co., Ltd.	15
CRSC Low-Altitude Intelligent Technology Co., Ltd.	15
Beijing National Railway Brilliance Communication Technology Co., Ltd.	15
Changsha Architectural Design Institute Co., Ltd.	15
CRSC Engineering Bureau Group Construction Engineering Co., Ltd.	15
CRSC Engineering Bureau Group Tianjin Equipment Technology Co., Ltd.	15
CRSC Engineering Bureau Group Beijing Research and Design Laboratory Center Co., Ltd.	15
Shanghai China Railway Communication & Signal Testing Co., Ltd.	15
CRSC Wanquan Signal Equipment Co., Ltd.	15
Shanghai Xinhai Xintong Information Technology Co., Ltd.	15
Urban Rail Transit	15
Xi'an Quanlutonghao Equipment Research Co., Ltd.	15
Xi'an Tonghao Railway Signaling Products Inspection Station Co., Ltd	20
Zhengzhou Zhongyuan Railway Railway Transportation Operation and Maintenance Co., Ltd.	20
Casco (Wuhan) Co., Ltd.	20
Casco (Xuzhou) Co., Ltd.	20
Casco (Jinan) Co., Ltd.	20

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference

☒ Applicable ☐ Not Applicable

1. *Refund-upon-collection policy for VAT for software enterprises*

According to the Notice of the State Council on Issuing Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (Guo Fa [2011] No. 4) issued by the State Council, CRSCD, Beijing Railway Signal Co., Ltd., CASCO, CRSCIC, Beijing Norrath Stantefon Communication Equipment Co., Ltd., Urban Rail Transit, and CRSC Wanquan Signal Equipment Co., Ltd. enjoy the refund-upon-collection policy for the portion of VAT exceeding 3% for software enterprises

2. *Tax preferential policy for high-new technology enterprises*

- (1) CRSC Guangdong-Hong Kong-Macao (Guangzhou) Transportation Technology Co., Ltd. Applied and was finally recognised as a high-new technology enterprise in 2020. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 28 December 2023. is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (2) Beijing Xiandai Signal & Communication Engineering Consulting Ltd. applied and was finally recognised as a high-new technology enterprise in 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 20 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (3) Beijing Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 2 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (4) CRSCD applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 26 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

- (5) Tianshui Railway Cable Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on October 28, 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (6) Jiaozuo Railway Cable Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2013. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022 and obtained the updated high-new technology enterprise certificate on 23 December 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (7) CRSC Changsha Railway applied and was finally recognised as a high-new technology enterprise in 2017. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 16 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (8) Shenyang Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on November 27, 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (9) Tianjin Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 31 October 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (10) Xi'an Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 3 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

- (11) Shanghai Railway Communication Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023 and obtained the updated high-new technology enterprise certificate on 12 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (12) Shanghai DEUTA Electronic & Electrical Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024 and obtained the updated high-new technology enterprise certificate on 26 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (13) CASCO applied and was finally recognised as a high-new technology enterprise in 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 15 November 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (14) Chengdu Railway Communication Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 16 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (15) CASCO Signal (Chengdu) Co., Ltd. applied in 2019 and was finally recognised as a high-new technology enterprise on 28 November 2019. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022, and obtained the updated high-new technology enterprise certificate on 2 November 2022. The certificate is valid for three years. CASCO Signal (Chengdu) Co., Ltd. shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

- (16) CASCO Signal (Zhengzhou) Co., Ltd. applied in 2021 and was finally recognised as a high-new technology enterprise on 28 October 2021. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate on 21 November 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (17) CASCO Signal (Xi'an) Co., Ltd. applied in 2024 and was finally recognised as a high-new technology enterprise on 16 December 2024, obtaining the high-tech enterprise certificate. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (18) Beijing Nera Stentofon Communication Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 20 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (19) CRSCC applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 30 November 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (20) CRSC Communication & Information Group Shanghai Company Ltd. applied and was finally recognised as a high-new technology enterprise in 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 12 December 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

- (21) CRSC Information Industry Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2015. The company passed the high-tech enterprise qualification review materials in 2024, and obtained the updated high-new technology enterprise certificate on 29 October 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (22) CRSC Low-Altitude Intelligent Technology Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2018. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate on 29 October 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (23) Beijing Guo Tie Hua Chen Communication Technology Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2020. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 26 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (24) Changsha Architectural Design Institute Co., Ltd. applied and was finally recognised as a highnew technology enterprise in 2020. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 16 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (25) CRSC Engineering Bureau Group Construction Engineering Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2016. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022, and obtained the updated high-new technology enterprise certificate on 18 October 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

- (26) CRSC Engineering Bureau Group Tianjin Equipment Engineering Ltd. applied and was finally recognised as a high-new technology enterprise in 2016. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022, and obtained the updated high-new technology enterprise certificate on 15 November 2022. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (27) CRSCE Beijing Research & Design Experiment Center Ltd. applied and was finally recognised as a high-new technology enterprise in 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate on 31 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (28) Shanghai Xinhaixin Information Technology Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2016. The Company submitted the high-tech enterprise qualification review materials to the competent authorities in 2022, and obtained the updated highnew technology enterprise certificate on 14 December 2022. The certificate is valid for three years. The Company shall pay enterprise income tax at the preferential tax rate of 15% from 2022 to 2024.
- (29) CRSC Wanquan Signal Equipment Co., LTD. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate on 16 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.
- (30) Shanghai China Railway Communication & Signal Testing Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2024, and obtained the updated high-new technology enterprise certificate on 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

2. Tax preferential policy for high-new technology enterprises (Continued)

- (31) Urban Rail Transit applied and was finally recognised as a high-new technology enterprise in 2020. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2023, and obtained the updated high-new technology enterprise certificate on 26 October 2023. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2023 to 2025.
- (32) Xi'an Quanlutonghao Equipment Research Co., Ltd. applied was finally recognised as a high-new technology enterprise in 2024, and obtained the high-new technology enterprise qualification certificate on 16 December 2024. The certificate is valid for three years. The company shall pay enterprise income tax at the preferential tax rate of 15% from 2024 to 2026.

3. Preferential taxation policies for the western development strategy

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuation of the Enterprise Income Tax Policies of Western Development (MOF Announcement [2020] No.23), from 1 January 2021 to 31 December 2030, an enterprise in western area engaged in industries encouraged is subject to the enterprise income tax rate of 15%. Xi'an Railway Signal Co., Ltd. and Xi'an Quanlutonghao Equipment Research Co., Ltd. are eligible for the preferential tax policies related to the western development strategy.

4. Preferential taxation policies for small low-profit enterprises

According to the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Income Tax Policies to Support the Development of Small Low-Profit Enterprises and Individual Business (SAT Announcement [2021] No. 8) and Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement No. 13 [2022] of the MOF and the SAT), from 1 January 2022 to 31 December 2024, the portion of annual taxable income of a small low-profit enterprise which does not exceed RMB1 million shall be calculated at a reduced rate of 12.5% as taxable income amount and shall be subject to EIT at 20% tax rate. The portion of annual taxable income of a small low-profit enterprise which exceeds RMB1 million but does not exceed RMB3 million shall be calculated at a reduced rate of 25% as taxable income amount and shall be subject to EIT at 20% tax rate. Xi'an Tonghao Railway Signal Product Inspection Station Co., Ltd., Zhengzhou Zhongyuan Railway Rail Transit Operation & Maintenance Co., Ltd., CASCO (Jinan) Co., Ltd., CASCO (Wuhan) Co., Ltd. and CASCO (Xuzhou) Co., Ltd. were eligible for the preferential tax policies for small low-profit enterprises.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VI. TAXATION (CONTINUED)

(II) Tax preference (Continued)

5. *Additional input VAT deduction policy*

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43 of Ministry of Finance and State Taxation Administration, from 1 January 2023 to 31 December 2027, an advanced manufacturing enterprise is allowed to credit the amount of input tax creditable in the current period plus 5% thereof against the amount of tax payable (hereinafter referred to as the "additional tax credit policy"). Jiaozuo Railway Cable Co., Ltd., Tianshui Railway Cable Co., Ltd., Beijing Railway Signal Co., Ltd., Shenyang Railway Signal Co., Ltd., Xi'an Railway Signal Co., Ltd., Shanghai Railway Communication Co., Ltd., Tianjin Railway Signal Co., Ltd., CRSC Communication & Information Group Shanghai Company Ltd., and Changsha Architectural Design Institute Co., Ltd. enjoyed the input VAT credit policy.

6. *Policies on the pre-tax deduction of loan loss provisions for financial enterprises for corporate income tax purposes*

According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on the Policies Related to the Pre-tax Deduction of Corporate Income Tax for Loan Loss Reserves of Financial Enterprises" (Announcement of the Ministry of Finance and the State Administration of Taxation No. 86 of 2019), the pre-tax deduction of corporate income tax for loan loss reserves withdrawn from loan assets of financial enterprises such as policy banks, commercial banks, finance companies, urban and rural credit cooperatives, and financial leasing companies, including bank card overdrafts, discounts, and credit advances, etc., is implemented from January 1, 2019 to December 31, 2023. The formula for calculating the loan loss reserves that financial enterprises are allowed to deduct before tax in the current year is as follows: Loan loss reserves allowed to be deducted before tax in the current year = balance of loan assets at the end of the year allowed to withdraw loan loss reserves \times 1% – balance of loan loss reserves already deducted before tax as of the end of the previous year. According to the Announcement on Extending the Implementation Period of Certain Preferential Tax Policies (Announcement of the Ministry of Finance and the State Administration of Taxation No. 6 of 2021), the policy on pre-tax deduction of corporate income tax for reserves stipulated in six documents, including the Notice of the Ministry of Finance and the State Administration of Taxation on Issues Related to the Pre-tax Deduction of Corporate Income Tax for Insurance Companies' Reserve Expenditures (Cai Shui [2016] No. 114), shall continue to be implemented after the expiration of the policy. The Finance Company will enjoy this preferential tax policy in 2024.

(III) Others

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

(I) Cash and bank balances

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	278,854.20	455,776.05
Bank deposits	22,137,643,375.17	21,981,471,414.76
Other monetary funds	439,093,767.95	592,116,511.38
Deposits with Finance Company	—	—
Total	22,577,015,997.32	22,574,043,702.19
Including: Total amount deposited abroad	284,032,547.96	125,626,865.60

The relationship between the Company's monetary funds and cash and cash equivalents is as follows:

Item	Closing balance	Opening balance
Closing balance of monetary funds for the period/year	22,577,015,997.32	22,574,043,702.19
Less: Monetary funds with unrestricted usage rights but not belonging to cash and cash equivalents	5,727,488,863.66	5,956,341,873.50
Less: Restricted monetary funds	443,657,457.27	597,589,132.57
Closing balance of cash and cash equivalents for the period/year	16,405,869,676.39	16,020,112,696.12

- Notes: 1. As at 31 December 2024, the Company's cash and bank balances deposited abroad were RMB20,012,117.44. (31 December 2023: RMB125,626,865.60).
2. As at 31 December 2024, the Company's restricted cash and bank balances were RMB443,657,457.27. (31 December 2023: RMB597,589,132.57). Please see Note "VII. (XXXI)".
3. The monetary funds with unrestricted usage rights but not belonging to cash and cash equivalents are mainly non-pledged/secured and unrestricted time deposits with maturity of three months or above.
4. Interest income from demand deposits is earned at the bank's interest rate on the demand deposits. The Company determines the period of maturity of short-term time deposit on the basis of its needs for cash and earns the interest income at the bank's corresponding interest rate on the time deposits.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(II) Held-for-trading financial assets

☐ Applicable ☒ Not Applicable

(III) Derivative financial assets

☐ Applicable ☒ Not Applicable

(IV) Notes receivable

1. Classified presentation of notes receivable

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker acceptance bills	121,532,968.47	188,802,439.78
Commercial acceptance notes	987,800,611.99	873,128,947.33
Less: Provision for bad debt	4,168,183.92	3,304,148.71
Total	1,105,165,396.54	1,058,627,238.40

2. Notes receivable pledged by the Company at the end of the period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the period
Bank acceptance bills	46,601,066.75
Commercial acceptance notes	374,393,736.36
Total	420,994,803.11

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IV) Notes receivable (Continued)

3. *Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance bills	—	46,601,066.75
Commercial acceptance notes	—	374,393,736.36
Total	—	420,994,803.11

4. *Disclosure by classification with the method of provision of bad debts*

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not Applicable

Descriptions of significant changes in the carrying amount of accounts receivable for which the allowance for loss has changed in the period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IV) Notes receivable (Continued)

5. *Provision for bad debt*

☐ Applicable ☒ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

6. *Write-off of notes receivable for the period*

☐ Applicable ☒ Not Applicable

Write-off of significant notes receivable:

☐ Applicable ☒ Not Applicable

Explanation on the write-off of notes receivable:

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable

1. Disclosure by aging on recording dates

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing gross carrying amount	Book balance at the beginning of the period
Within 1 year	18,054,312,675.80	14,931,237,683.76
1 to 2 years	5,200,622,204.18	5,344,595,684.88
2 to 3 years	3,227,097,990.46	2,365,701,661.44
Over 3 years	2,418,537,902.13	1,839,881,498.95
Subtotal	28,900,570,772.57	24,481,416,529.03
Less: Provision for bad debt	1,927,205,655.94	1,605,868,922.94
Total	26,973,365,116.63	22,875,547,606.09

2. Disclosure by the method of provision of bad debts

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt			Gross carrying amount		Provision for bad debt		
	Amount	Proportion (%)	Amount	Percentage of provision (%)	Carrying amount	Amount	Proportion (%)	Amount	Percentage of provision (%)	Carrying amount
Single provision for bad debt	464,413,071.03	1.61	413,840,344.55	89.11	50,572,726.48	474,812,405.74	1.94	408,995,657.16	86.14	65,816,748.58
Provision withdrawn for bad debt on a combination basis	28,436,157,701.54	98.39	1,513,365,311.39	5.32	26,922,792,390.15	24,006,604,123.29	98.06	1,196,873,265.78	4.99	22,809,730,857.51
Total	28,900,570,772.57	100.00	1,927,205,655.94	/	26,973,365,116.63	24,481,416,529.03	100.00	1,605,868,922.94	/	22,875,547,606.09

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

2. Disclosure by the method of provision of bad debts (Continued)

Single provision for bad debt:

31 December 2024

Unit: Yuan Currency: RMB

Name	Closing balance			
	Gross carrying amount	Provision for bad debt	Percentage of provision (%)	Reasons for making provision
Single provision for bad debt	464,413,071.03	413,840,344.55	89.11	–
Total	464,413,071.03	413,840,344.55	89.11	–

31 December 2023

Unit: Yuan Currency: RMB

Name	Closing balance			
	Gross carrying amount	Provision for bad debt	Percentage of provision (%)	Reasons for making provision
Single provision for bad debt	474,812,405.74	408,995,657.16	86.14	–
Total	474,812,405.74	408,995,657.16	86.14	–

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

2. Disclosure by the method of provision of bad debts (Continued)

Provision withdrawn for bad debt by credit risk portfolio:

☒ Applicable ☐ Not Applicable

31 December 2024

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debt	Percentage of provision (%)
Within 1 year	18,053,365,964.43	89,718,212.07	0.50
1 to 2 years	5,195,941,361.98	259,268,958.52	4.99
2 to 3 years	3,226,628,723.55	322,470,221.40	9.99
Over 3 years	1,960,221,651.58	841,907,919.40	42.95
Total	28,436,157,701.54	1,513,365,311.39	/

31 December 2023

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debt	Percentage of provision (%)
Within 1 year	14,926,608,841.56	73,095,306.82	0.49
1 to 2 years	5,344,126,417.97	265,330,847.63	4.96
2 to 3 years	2,255,087,741.18	221,693,065.19	9.83
Over 3 years	1,480,781,122.58	636,754,046.14	43.00
Total	24,006,604,123.29	1,196,873,265.78	/

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

2. Disclosure by the method of provision of bad debts (Continued)

Descriptions of provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not Applicable

Descriptions of significant changes in the carrying amount of accounts receivable for which the allowance for loss has changed during the Reporting Period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

3. Provision for bad debts

☒ Applicable ☐ Not Applicable

31 December 2024

Unit: Yuan Currency: RMB

Category	Change during the period					Closing balance
	Opening balance	Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Single provision for bad debt	408,995,657.16	9,617,917.45	4,577,696.22	195,533.84	–	413,840,344.55
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	1,196,873,265.78	316,500,354.76	–	13,708.00	5,398.85	1,513,365,311.39
Total	1,605,868,922.94	326,118,272.21	4,577,696.22	209,241.84	5,398.85	1,927,205,655.94

Recovery or reversal during 2024

Item

The amount of recovery

Recovery during the period

4,577,696.22

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

3. Provision for bad debts (Continued)

31 December 2023

Unit: Yuan Currency: RMB

Category	Opening balance	Provision	Change in amount during the period			Closing balance
			Recovery or reversal	Write-off or cancellation	Other changes	
Single provision for bad debt	62,885,832.31	346,109,824.85	–	–	–	408,995,657.16
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	1,151,751,863.43	46,395,374.43	–	606,680.83	-667,291.25	1,196,873,265.78
Total	1,214,637,695.74	392,505,199.28	–	606,680.83	-667,291.25	1,605,868,922.94

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

4. Write-off of accounts receivable for the period

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Write-off amount
Accounts receivable actually written off	<u>209,241.84</u>

2023

Unit: Yuan Currency: RMB

Item	Write-off amount
Accounts receivable actually written off	<u>606,680.83</u>

Write-off of other significant accounts receivable

☐ Applicable ☒ Not Applicable

Explanation on the write-off of accounts receivable:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(V) Accounts receivable (Continued)

5. *Top five accounts receivable by closing balance of debtors*

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the total amount of top five accounts receivable and contract assets by closing balance of debtors amounted to RMB3,033,480,470.74 in total, accounting for 4.93% of the total closing balance of accounts receivable and contract assets. The closing balance of the corresponding provision for bad debt amounted to RMB115,884,386.41 in total.

As at 31 December 2023, the total amount of top five accounts receivable by closing balance of debtors amounted to RMB4,650,273,505.05 in total, accounting for 7.40% of the total closing balance of accounts receivable. The closing balance of the corresponding provision for bad debt amounted to RMB28,393,007.70 in total.

6. *Restricted accounts receivable*

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the Company pledged trade receivables of RMB680,198,573.12 and other non-current assets of RMB4,915,049,570.76 (31 December 2023: trade receivables of RMB634,223,818.22, other non-current assets: RMB4,957,337,547.83) pledged for obtaining long-term loans of RMB3,037,783,923.00 (31 December 2023: RMB3,194,933,469.48), please refer to "Note VII. (XXXI)" for details.

As at 31 December 2024, the outstanding amount of the Company's accounts receivable factoring business with recourse was RMB406,000,000.00.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets

1. Information of contract assets

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying	Provision for bad debt	Carrying amount	Gross carrying	Provision for bad debt	Carrying amount
Completed but not yet settled	32,610,986,208.78	140,768,010.62	32,470,218,198.16	38,367,354,739.19	138,615,122.56	38,228,739,616.63
Total	32,610,986,208.78	140,768,010.62	32,470,218,198.16	38,367,354,739.19	138,615,122.56	38,228,739,616.63

2. Amount of and reason for significant change in carrying amount within the Reporting Period

☐ Applicable ☒ Not Applicable

3. Disclosure by the method of provision for bad debts

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets (Continued)

3. Disclosure by the method of provision for bad debts (Continued)

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not Applicable

Descriptions of significant changes in the carrying amount of contract assets for which the allowance for loss has changed in the period:

☐ Applicable ☒ Not Applicable

4. Provision for impairment of contract assets in the period

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Closing balance of last year	Provision for the period	Recovery or reversal for the period	Cancellation or write-off for the period	Others	Closing balance
Completed but not yet settled	138,615,122.56	2,144,319.83	—	—	8,568.23	140,768,010.62
Total	138,615,122.56	2,144,319.83	—	—	8,568.23	140,768,010.62

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Contract assets (Continued)

4. Provision for impairment of contract assets in the period

2023

Unit: Yuan Currency: RMB

Item	Closing balance of last year	Provision for the period	Recovery or reversal for the period	Cancellation or write-off for the period	Others	Closing balance
Completed but not yet settled	146,053,665.31	3,719,415.67	11,152,140.18	—	-5,818.24	138,615,122.56
Total	146,053,665.31	3,719,415.67	11,152,140.18	—	-5,818.24	138,615,122.56

Notes:

- Contract assets of the Company are derived from provision of construction services to customers and recognition of revenue over a period of time. At time of settlement of project-related payments, any such contract asset turns into the unconditional right to collect payments and is transferred into the receivables.
- As at 31 December 2024, the expected credit loss rate of the contract assets was 0.43% (31 December 2023: 0.36%)

Including significant amounts of provision for bad debts recovered or reversed in the period:

☐ Applicable ☒ Not Applicable

5. Write-off of contract assets for the period

☐ Applicable ☒ Not Applicable

Write-off of significant contract assets

☐ Applicable ☒ Not Applicable

Explanation on the write-off of contract assets:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VII) Receivable for financing

1. *Classified presentation of receivable for financing*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	289,295,442.21	374,075,903.41
Other credit instruments measured at fair value through other comprehensive income	486,540,407.19	598,643,422.87
Total	775,835,849.40	972,719,326.28

Note: The Company endorses or discounts certain bank acceptance bills in its daily treasury management. The business model for managing the aforementioned notes receivable and other credit instruments aims at both the collection and sales of contractual cash flows; therefore, the Company reclassifies these notes receivable and other credit instruments as financial assets at fair value through other comprehensive income, and presents them as receivable for financing.

2. *Notes receivable pledged by the Company at the end of the period*

☐ Applicable ☒ Not Applicable

3. *Notes receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptance bills	351,839,468.29	—
Other credit instruments measured at fair value through other comprehensive income	24,857,868.22	—
Total	376,697,336.51	—

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VII) Receivable for financing (Continued)

4. *Disclosure by classification with the method of provision of bad debts*

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not Applicable

Descriptions of significant changes in the carrying amount of receivables for financing for which the allowance for loss has changed in the period:

☐ Applicable ☒ Not Applicable

5. *Provision for bad debt*

☐ Applicable ☒ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VII) Receivable for financing

6. Write-off of notes receivable for the period

☐ Applicable ☒ Not Applicable

Write-off of significant notes receivables for financing

☐ Applicable ☒ Not Applicable

Explanation on write-off:

☐ Applicable ☒ Not Applicable

7. The increase/decrease and fair value change of receivables for financing in the period:

☐ Applicable ☒ Not Applicable

8. Other explanation:

☐ Applicable ☒ Not Applicable

(VIII) Prepayments

1. Prepayments set out by aging

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	780,494,159.43	67.21	875,818,869.02	80.90
1 to 2 years	228,887,866.56	19.71	136,923,665.28	12.65
2 to 3 years	111,213,218.50	9.58	36,388,648.89	3.36
Over 3 years	40,713,153.05	3.50	33,460,303.17	3.09
Total	1,161,308,397.54	100.00	1,082,591,486.36	100.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VIII) Prepayments (Continued)

2. Top five prepayments by closing balance of prepaid parties

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the total amount of top five prepayments by closing balance of prepaid parties amounted to RMB119,752,714.36, accounting for 10.31% of the closing balance of the total prepayments.

As at 31 December 2023, the total amount of top five prepayments by closing balance of prepaid parties amounted to RMB169,810,543.29, accounting for 15.69% of the closing balance of the total prepayments.

Other explanation

☐ Applicable ☒ Not Applicable

(IX) Other receivables

Presentation of item

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	—	—
Dividends receivable	5,808,000.00	5,100,000.00
Other receivables	1,606,871,459.07	1,531,462,573.61
Total	1,612,679,459.07	1,536,562,573.61

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Interest receivable

1. Classification of interest receivable

☐ Applicable ☒ Not Applicable

2. Significant overdue interest

☐ Applicable ☒ Not Applicable

3. Disclosure by the method of provision for bad debts

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

4. Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not Applicable

Descriptions of significant changes in the carrying amount of interests receivable for which the allowance for loss has changed in the period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Interest receivable (Continued)

5. Provision for bad debts

☐ Applicable ☒ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

6. Write-off of interest receivable for the period

☐ Applicable ☒ Not Applicable

Write-off of significant interest receivable

☐ Applicable ☒ Not Applicable

Explanation on the write-off:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Dividends receivable

1. *Dividends receivable*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Siemens Signaling Company Ltd.	4,800,000.00	5,100,000.00
CRSC Smart Data Technology (Beijing) Co., Ltd.	1,008,000.00	—
Subtotal	5,808,000.00	5,100,000.00
Less: Provision for bad debt	—	—
Total	5,808,000.00	5,100,000.00

2. *Significant dividends receivable with an age over 1 year*

☐ Applicable ☒ Not Applicable

3. *Disclosure by the method of provision for bad debts*

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Dividends receivable

4. Provision withdrawn for bad debts based on general model of expected credit losses

☐ Applicable ☒ Not Applicable

Descriptions of significant changes in the carrying amount of dividends receivable for which the allowance for loss has changed in the period:

☐ Applicable ☒ Not Applicable

5. Provision for bad debts

☐ Applicable ☒ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

6. Write-off of dividends receivable

☐ Applicable ☒ Not Applicable

Write-off of significant dividends receivable

☐ Applicable ☒ Not Applicable

Explanation on the write-off:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables

1. Disclosure by aging

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year	557,381,355.72	709,237,751.27
1 to 2 years	392,335,271.40	249,603,552.07
2 to 3 years	162,770,493.67	119,391,447.65
Over 3 years	756,753,518.06	661,081,074.54
Subtotal	1,869,240,638.85	1,739,313,825.53
Less: Provision for bad debt	262,369,179.78	207,851,251.92
Total	1,606,871,459.07	1,531,462,573.61

2. Classified by nature

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Nature of accounts	Book balance at the end of the period	Book balance at the beginning of the period
Performance and tender bonds	1,153,444,162.49	1,139,241,481.87
Advance payments	119,600,631.81	82,487,631.93
Various deposits	97,053,219.08	115,248,856.80
Others	499,142,625.47	402,335,854.93
Subtotal	1,869,240,638.85	1,739,313,825.53
Less: Provision for bad debt	262,369,179.78	207,851,251.92
Total	1,606,871,459.07	1,531,462,573.61

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables

3. Provision for bad debt

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	
Amounts due as at 1 January 2024	57,401,056.63	—	150,450,195.29	207,851,251.92
Amounts due for the period as at 1 January 2024	—	—	—	—
– Transferred to stage 2	—	—	—	—
– Transferred to stage 3	-16,754,700.50	—	16,754,700.50	—
– Transferred to stage 2	—	—	—	—
– Transferred to stage 1	—	—	—	—
Provision for the period	11,549,539.89	—	43,017,163.17	54,566,703.06
Reversal for the period	—	—	-48,775.20	-48,775.20
Write-off for the period	—	—	—	—
Cancellation for the period	—	—	—	—
Other changes	—	—	—	—
Amounts due as at 31 December 2024	52,195,896.02	—	210,173,283.76	262,369,179.78

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debt (Continued)*

2023

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	(non-credit	(credit-	
		impaired)	impaired)	Total
Provision for bad debt				
Amounts due as at 1 January 2023	13,397,307.04	14,991,612.87	137,759,716.93	166,148,636.84
Amounts due for the period as at				
1 January 2023	—	—	—	—
– Transferred to stage 2	—	—	—	—
– Transferred to stage 3	—	—	—	—
– Transferred to stage 2	—	—	—	—
– Transferred to stage 1	—	—	—	—
Provision for the period	44,448,275.75	—	12,690,478.36	57,138,754.11
Reversal for the period	—	-14,991,612.87	—	-14,991,612.87
Write-off for the period	—	—	—	—
Cancellation for the period	—	—	—	—
Other changes	-444,526.16	—	—	-444,526.16
Amounts due as at				
31 December 2023	57,401,056.63	—	150,450,195.29	207,851,251.92

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debt (Continued)*

Significant changes in the carrying amount of other receivables for which the allowance for loss has changed in the period:

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	Total
Amounts due as at 1 January 2024	1,263,682,670.67	—	475,631,154.86	1,739,313,825.53
Amounts due for the period as at 1 January 2024	—	—	—	—
– Transferred to stage 1	—	—	—	—
– Transferred to stage 2	—	—	—	—
– Transferred to stage 3	-115,377,376.49	—	115,377,376.49	—
Provision for the period	551,667,228.40	—	5,714,127.32	557,381,355.72
Derecognised	-408,726,764.73	—	-18,742,846.42	-427,469,611.15
Other changes	15,068.75	—	—	15,068.75
Balance as at 31 December 2024	1,291,260,826.60	—	577,979,812.25	1,869,240,638.85

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

3. *Provision for bad debt (Continued)*

2023

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	(non-credit impaired)	(credit- impaired)	
Amounts due as at 1 January 2023	1,195,253,560.79	46,245,677.67	494,334,933.82	1,735,834,172.28
Amounts due for the period as at 1 January 2023	–	–	–	–
– Transferred to stage 1	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
Provision for the period	660,069,348.51	–	49,168,402.76	709,237,751.27
Derecognised	-582,819,293.45	-46,245,677.67	-67,872,181.72	-696,937,152.84
Other changes	-8,820,945.18	–	–	-8,820,945.18
Balance as at 31 December 2023	<u>1,263,682,670.67</u>	<u>–</u>	<u>475,631,154.86</u>	<u>1,739,313,825.53</u>

Amount of provision for bad debts for the period and basis for evaluating whether credit risk of financial instruments increase significantly

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

4. Provision for bad debts

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Categories	Opening balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts	207,851,251.92	54,566,703.06	48,775.20	—	—	262,369,179.78
Total	207,851,251.92	54,566,703.06	48,775.20	—	—	262,369,179.78

2023

Unit: Yuan Currency: RMB

Categories	Opening balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debts	166,148,636.84	57,138,754.11	14,991,612.87	—	-444,526.16	207,851,251.92
Total	166,148,636.84	57,138,754.11	14,991,612.87	—	-444,526.16	207,851,251.92

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

5. Write-off of other receivables for the period

☐ Applicable ☒ Not Applicable

Write-off other significant receivables:

☐ Applicable ☒ Not Applicable

Explanation on the write-off of other receivables:

☐ Applicable ☒ Not Applicable

6. Top five other receivables by closing balance of debtors

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the total amount of top five debtors with the largest closing balance of other receivables amounted to RMB718,777,633.37 in total, accounting for 38.45% of the total closing balance of other receivables. The closing balance of the corresponding provision for bad debt amounted to RMB103,029,927.48 in total.

As at 31 December 2023, the total amount of top five debtors with the largest closing balance of other receivables amounted to RMB651,654,631.45 in total, accounting for 37.47% of the total closing balance of other receivables. The closing balance of the corresponding provision for bad debt amounted to RMB69,693,038.63 in total.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IX) Other receivables (Continued)

Other receivables (Continued)

7. *Other receivables derecognised due to the transfer of financial assets*

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

(X) Inventories

1. *Inventories classification*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories/provision for impairment of contract performance cost	Carrying amount	Gross carrying amount	Provision for decline in value of inventories/provision for impairment of contract performance cost	Carrying amount
Raw materials	1,415,008,318.65	5,688,721.59	1,409,319,597.06	1,360,066,346.37	5,706,790.43	1,354,359,555.94
Turnover materials	4,150,415.49	–	4,150,415.49	4,944,439.46	–	4,944,439.46
Materials for consigned processing	7,215,319.84	–	7,215,319.84	11,814,536.24	–	11,814,536.24
Self-made semi-finished products and work-in process	930,752,844.99	407,057.50	930,345,787.49	905,803,423.79	481,398.37	905,322,025.42
Finished goods	1,102,888,165.90	7,873.08	1,102,880,292.82	929,844,941.40	102,073.61	929,742,867.79
Total	3,460,015,064.87	6,103,652.17	3,453,911,412.70	3,212,473,687.26	6,290,262.41	3,206,183,424.85

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Inventories

2. Data resources recognised as inventory

☐ Applicable ☒ Not Applicable

3. Provision for decline in value of inventories and provision for impairment of contract performance cost

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	5,706,790.43	-18,068.84	—	—	—	5,688,721.59
Self-made semi-finished products and work-in process	481,398.37	-74,340.87	—	—	—	407,057.50
Finished goods	102,073.61	-94,200.53	—	—	—	7,873.08
Total	6,290,262.41	-186,610.24	—	—	—	6,103,652.17

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	5,316,687.27	390,103.16	—	—	—	5,706,790.43
Self-made semi-finished products and work-in process	224,483.41	256,914.96	—	—	—	481,398.37
Finished goods	847.85	101,225.76	—	—	—	102,073.61
Total	5,542,018.53	748,243.88	—	—	—	6,290,262.41

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Inventories (Continued)

3. Provision for decline in value of inventories and provision for impairment of contract performance cost (Continued)

Reasons for reversal or write-off of inventory write-down for the period:

☐ Applicable ☒ Not Applicable

Provision for inventory write-down on a combination basis

☐ Applicable ☒ Not Applicable

Criteria for provision withdrawn for inventory write-down on a combination basis

☐ Applicable ☒ Not Applicable

4. Amount and calculation of capitalized amount of the borrowing cost in the closing balance of inventories

☐ Applicable ☒ Not Applicable

5. Explanation about current amortization amount of contract performance cost

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

(XI) Assets held for sale

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XII) Non-current assets due within one year

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Project quality deposit due within one year and project payment	149,708,988.61	63,401,801.70
Less: Provision for bad debt	482,912.39	114,613.69
Total	149,226,076.22	63,287,188.01

Debt investment due within one year

☐ Applicable ☒ Not Applicable

Other debt investment due within one year

☐ Applicable ☒ Not Applicable

(XIII) Other current assets

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT input to be deducted	757,436,913.55	881,448,099.10
Prepaid corporate income tax	68,473,537.99	25,438,654.20
Other prepaid tax	910,109.46	4,417,668.29
Total	826,820,561.00	911,304,421.59

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XIV) Debt investment

1. Information of debt investment

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Carrying amount	VAT input to be deducted	Provision for impairment	Carrying amount
Shandong Railway Development Fund Co., Ltd.	273,172,183.50	—	273,172,183.50	273,172,183.50	—	273,172,183.50
Total	273,172,183.50	—	273,172,183.50	273,172,183.50	—	273,172,183.50

Note: The Company completed its investment in Shandong Railway Development Fund Co., Ltd. On 28 January 2019, with the investment return to be paid by Shandong Development Fund as per 10% off the benchmark interest rate for more-than-5-year loans issued by PBOC (the prevailing interest rate $4.9\% \times 0.9 = 4.41\%$), and the interest was commenced on a phased basis from the date on which such investment capital was received, subject to adjustment according to interest rate of the central bank in the end period. At the end of the tenth anniversary of the date on which the project cooperation is commenced (i.e., 28 January 2029), Shandong Railway Development Fund Co., Ltd. will receive the equity equivalent to the Company's original capital contribution in lump sum. Therefore, the Company mainly holds the investment for the purpose of obtain contractual cash flows, and cash flows generated on specific dates are solely for the payment of the investment principal and interests incurred from the outstanding amount, and they fall into financial assets measured at amortized cost, therefore, the investment is stated as debt investment.

The Company has assessed that its credit risk has not significantly increased since the initial recognition on the balance sheet date, therefore the Company did not make provision for impairment according to the amount equivalent to the ECL for the next 12 months.

Changes in provision for impairment of debt investments during the period

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XIV) Debt investment

2. *Significant debt investments*

☐ Applicable ☒ Not Applicable

3. *Provision for impairment*

☐ Applicable ☒ Not Applicable

Explanation on significant changes in carrying amount of debt investments for which the provision for impairment has changed in the period:

☐ Applicable ☒ Not Applicable

Amount of provision for impairment for the period and basis for evaluating whether credit risk of financial instruments increase significantly

☐ Applicable ☒ Not Applicable

4. *Actual write-off of debt investments*

☐ Applicable ☒ Not Applicable

Write-off of significant debt investments

☐ Applicable ☒ Not Applicable

Explanations on the write-off of debt investments:

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XV) Other debt investment

1. *Other debt investment*

☐ Applicable ☒ Not Applicable

Changes in provision for impairment of other debt investments

☐ Applicable ☒ Not Applicable

2. *Other significant debt investments*

☐ Applicable ☒ Not Applicable

3. *Provision for impairment*

☐ Applicable ☒ Not Applicable

Explanation on significant changes in carrying mount of other debt investments for which the provision for impairment has changed in the period:

☐ Applicable ☒ Not Applicable

Amount of provision for impairment for the period and basis for evaluating whether credit risk of financial instruments increase significantly

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XV) Other debt investment (Continued)

4. *Write-off of other debt investments*

☐ Applicable ☒ Not Applicable

Write-off of other significant debt investments

☐ Applicable ☒ Not Applicable

Explanation on write-off of other debt investments:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables

1. Long-term receivables

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance			Discount rate
	Carrying amount	Provision for bad debt	Carrying amount	Carrying amount	Provision for bad debt	Carrying amount	
Receivables of "Build-Transfer" project	132,160,997.28	5,124,762.97	127,036,234.31	196,283,858.22	857,690.88	195,426,167.34	-
Project receivables	7,223,533,883.29	122,521,217.14	7,101,012,666.15	7,262,576,298.01	177,834,929.21	7,084,741,368.80	-
Subtotal	7,355,694,880.57	127,645,980.11	7,228,048,900.46	7,458,860,156.23	178,692,620.09	7,280,167,536.14	-
Less: Amount due within one year	62,504,105.55	187,512.32	62,316,593.23	33,452,249.26	4,342.55	33,447,906.71	-
Total	7,293,190,775.02	127,458,467.79	7,165,732,307.23	7,425,407,906.97	178,688,277.54	7,246,719,629.43	/

Note: The Company has entered into municipal engineering investment construction repurchase agreements with relevant government departments, where the relevant government departments have authorized the Company to undertake the investment and financing functions for the "build-transfer" projects and carry out municipal engineering construction. After the completion of the projects, they will be transferred to the relevant government departments, who will pay the repurchase funds within the specified period according to the repurchase agreements.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables (Continued)

2. *Disclosure by the method of provision for bad debts*

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

3. *Provision withdrawn for bad debts based on general model of expected credit losses*

☐ Applicable ☒ Not Applicable

Explanation on significant changes in carrying amount of long-term receivables for which the provision for impairment has changed in the period:

☐ Applicable ☒ Not Applicable

Amount of provision for impairment for the period and basis for evaluating whether credit risk of financial instruments increase significantly

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables (Continued)

4. Provision for bad debt

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Categories	Closing balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debt	178,688,277.54	-51,229,809.75	-	-	-	127,458,467.79
Total	178,688,277.54	-51,229,809.75	-	-	-	127,458,467.79

2023

Unit: Yuan Currency: RMB

Categories	Closing balance	Increase/decrease during the period				Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debt	173,728,280.45	4,959,997.09	-	-	-	178,688,277.54
Total	173,728,280.45	4,959,997.09	-	-	-	178,688,277.54

Note: The Company evaluated whether or not the credit risk of the said long-term receivables has been significantly increased since the initial recognition on each balance sheet date. If such credit risk has not significantly increased since the initial recognition, the Company made provisions for loss at the amount equivalent to ECL for the next 12 months; and if the credit risk has significantly increased since the initial recognition but no credit impairment has occurred, the Company made provisions for loss at the amount equivalent to the lifetime ECL.

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVI) Long-term receivables (Continued)

5. Write-off of long-term receivables for the period

☐ Applicable ☒ Not Applicable

Write-off of significant long-term receivables

☐ Applicable ☒ Not Applicable

Explanations on write-off of long-term receivables:

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

(XVII) Long-term equity investment

1. Long-term equity investment

☒ Applicable ☐ Not Applicable

Item	Closing balance			Closing balance of last year		
	Carrying amount	Provision for impairment	Carrying amount	Carrying amount	Provision for impairment	Carrying amount
Investments in joint ventures	143,770,099.03	–	143,770,099.03	146,986,709.27	–	146,986,709.27
Investments in associates	1,662,931,716.88	–	1,662,931,716.88	1,385,179,535.96	–	1,385,179,535.96
Total	1,806,701,815.91	–	1,806,701,815.91	1,532,166,245.23	–	1,532,166,245.23

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

1. Long-term equity investment (Continued)

2024

Unit: Yuan Currency: RMB

Investee	Increase/decrease for the period							
	Increase in investment	Decrease in investment	Investment gains/ losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Others
							Closing balance of provision for impairment	Closing balance
I. Joint ventures								
Xi'an Schaltbau Electric Corp., Ltd.	-	-	18,000,000.00	-	-	20,000,000.00	-	130,822,671.03
CRSC Smart Data Technology (Beijing) Co., Ltd.	-	-	223,389.76	-	-	1,440,000.00	-	12,947,428.00
Subtotal	-	-	18,223,389.76	-	-	21,440,000.00	-	143,770,099.03

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

1. Long-term equity investment (Continued)

Investee	Increase/decrease for the period								Closing balance of provision for impairment		
	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment		Others	Closing balance
II. Associates											
Guangdong Utrust Financial Leasing Co., Ltd.	364,085,991.06	-	-	-	12,732,565.65	-	-	-	-	-	376,818,556.71
CRSC Tianshui Tram Co., Ltd.	261,632,127.62	-	-	-	22,246,901.43	-	-	-	-	-	283,879,029.05
Spring Integrated Pipeline Construction Co., Ltd.	224,763,946.36	-	-	-	-2,660,042.15	-	-	-	-	-	222,103,904.21
Tianshui Tram Co., Ltd.	195,357,443.21	147,640,300.00	-	-	25,200,576.16	-	-	-	-	-	368,198,321.37
Hevan Huazhou Railway Co., Ltd.	151,431,380.11	-	-	-	2,808,033.14	-	-	1,775,342.80	-	-	152,464,070.45
Siemens Signaling Company Ltd.	70,037,626.78	-	-	-	10,000,000.00	-	-	9,600,000.00	-	-	70,437,626.78
China Tielong Railway Operation Co., Ltd.	27,082,061.95	-	-	-	12,171,432.25	-	-54,570.07	1,500,000.00	-	-	37,698,924.13
Shentie Signaling (Shenzhen) Co., Ltd	24,507,080.50	-	-	-	9,442,998.84	-	-	-	-	-	33,950,079.34
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	21,450,280.62	-	-	-	1,534,347.14	-	-	276,155.14	-	-	22,708,472.62

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

1. Long-term equity investment (Continued)

Investee	Increase/decrease for the period								Closing balance of provision for impairment
	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	
Tianjin Jingui Huihai Technology Development Co., Ltd.	12,926,331.95	-	-	2,636,461.15	-	-	-	-	15,563,393.10
CSCCEC Foshan Joint Investment Co., Ltd.	12,616,233.38	-	-	-	-	-	-	-	12,616,233.38
Zhuohai Huatong Private Equity Fund Management Enterprise (Limited Partnership)	9,807,875.44	-	-	318,670.11	-	-	1,500,000.00	-	8,626,545.55
Zhejiang Jiabou Intelligent Transportation Technology Co., Ltd.	5,055,375.89	-	-	631,816.85	-	-	-	-	5,687,192.74
COUI (Shanghai) Digital Technologies Co., Ltd.	4,425,181.09	-	-	-333,817.78	-	-	-	-	4,091,363.31
Shijiazhuang Jiadou Intelligent Technology Co., Ltd.	-	5,400,000.00	-	208,094.43	-	-	-	-	5,608,094.43
Wuhan Intelligent Metro Technology Co., Ltd.	-	42,011,068.78	-	468,840.93	-	-	-	-	42,479,909.71
Subtotal	1,385,179,535.96	195,051,368.78	-	97,406,880.15	-	-54,570.07	14,651,497.94	-	1,662,931,716.88
Total	1,532,166,245.23	195,051,368.78	-	115,630,269.91	-	-54,570.07	36,091,497.94	-	1,806,701,815.91

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

1. Long-term equity investment (Continued)

2023

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease for the period				Others	Closing balance	Closing balance of provision for impairment
				Investment gains/losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment		
I. Joint ventures										
Xi'an Schaltbau Electric Corp., Ltd.	145,272,671.03	-	-	17,550,000.00	-	-	30,000,000.00	-	132,822,671.03	-
CRSC Smart Data Technology (Beijing) Co., Ltd.	13,254,871.05	-	-	909,167.19	-	-	-	-	14,164,038.24	-
Wenzhou-Hangwen High-Speed Railway Investment Partnership (LLP)	76,503,772.49	-	76,503,772.49	-	-	-	-	-	-	-
Subtotal	235,031,314.57	-	76,503,772.49	18,459,167.19	-	-	30,000,000.00	-	146,986,709.27	-

Unit: Yuan Currency: RMB

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

1. Long-term equity investment (Continued)

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease for the period					Closing balance	Closing balance of provision for impairment
				Investment gains/losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment		
II. Associates										
Guangdong Utrust Financial Leasing Co., Ltd.	351,646,087.12	-	-	12,439,903.94	-	-	-	-	364,085,991.06	-
CRSC Tianshui Tram Co., Ltd.	229,523,985.84	-	-	32,108,141.78	-	-	-	-	261,632,127.62	-
Spring Integrated Pipeline Construction Co., Ltd.	224,763,946.36	-	-	-	-	-	-	-	224,763,946.36	-
Tianshui Tram Co., Ltd.	162,602,636.09	250,000.00	-	32,504,807.12	-	-	-	-	195,357,443.21	-
Henan Huazhou Railway Co., Ltd.	149,457,187.20	-	-	1,974,192.91	-	-	-	-	151,431,380.11	-
Siemens Signaling Company Ltd.	69,187,626.78	-	-	11,050,000.00	-	-	10,200,000.00	-	70,037,626.78	-
China Tietong Railway Operation Co., Ltd.	19,652,932.24	-	-	8,814,532.50	-	114,597.21	1,500,000.00	-	27,082,061.95	-
Shentie Signaling (Shenzhen) Co., Ltd.	-	24,500,000.00	-	7,080.50	-	-	-	-	24,507,080.50	-
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	20,200,843.45	-	-	1,416,254.89	-	-	166,817.72	-	21,450,280.62	-
Tianjin Jingui Huihai Technology Development Co., Ltd.	7,229,194.10	4,000,000.00	-	1,697,737.85	-	-	-	-	12,926,931.95	-

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

1. Long-term equity investment (Continued)

Investee	Increase/decrease for the period								Closing balance of provision for impairment
	Opening balance	Increase in investment	Decrease in investment	Investment gains/ losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	
CSC&C Foshan Joint Investment Co., Ltd.	12,616,233.38	-	-	-	-	-	-	-	12,616,233.38
Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership)	9,887,875.44	-	-	420,000.00	-	-	-	-	9,887,875.44
Zhejiang Jiabou Intelligent Transportation Technology Co., Ltd.	4,847,111.89	-	-	208,264.00	-	-	-	-	5,055,375.89
China Liantou (Shanghai) Data Intelligent Technology Co., Ltd.	6,087,738.79	-	-	-1,662,557.70	-	-	-	-	4,425,181.09
Beijing Solong Electronic Technology Co., Ltd.	2,775,454.43	-	2,379,308.22	-396,146.21	-	-	-	-	-
Subtotal	1,269,978,853.11	28,750,000.00	2,379,308.22	100,582,211.58	-	114,597.21	11,866,817.72	-	1,385,179,535.96
Total	1,505,010,167.68	28,750,000.00	78,883,080.71	119,041,378.77	-	114,597.21	41,866,817.72	-	1,532,166,245.23

Notes:

- As at 31 December 2024 and 31 December 2023, the ability of investees in which the Company hold long-term equity investments to transfer funds to the Company has not been restricted.
- For the information of joint ventures or associates for the period, please refer to note "X. (III)"

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Long-term equity investment (Continued)

2. Impairment test of long-term equity investment

☐ Applicable ☒ Not Applicable

(XVIII) Other equity instrument investments

1. Other equity instrument investments

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Increase/decrease for the period					Reasons for being measured at fair value through other comprehensive income			
	Increase in investment	Decrease in investment	Gains recognised in other comprehensive income for the period	Losses recognised in other comprehensive income for the period	Others	Dividend incomes recognised for the period	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Reasons for being measured at fair value through other comprehensive income
Beijing Yawan High-Speed Railway Co., Ltd.	-	-	-	22,443,470.73	-	460,520,575.65	-	25,064,372.35	-
Guangzhou-Shenzhen Railway (Guangdong)	-	-	7,751,103.03	-	-	107,120,486.55	7,120,486.55	-	-
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd.	-	-	-	-	-	2,141,159.20	-	-	-
Hunan Maglev Group Co., Ltd.	-	-	7,100,000.00	-	-	122,100,000.00	22,100,000.00	-	-
Lunan High-Speed Railway Co., Ltd.	-	-	-	217,103.35	-	383,392,729.44	13,755,195.44	-	-
Taizhou-Hangzhou High-Speed Railway Investment Management Partnership (LLP)	-	-	-	2,937,008.86	-	137,268,855.19	-	9,961,610.81	-
Total	-	-	14,851,103.03	25,937,582.94	-	1,212,543,806.03	42,975,681.99	35,025,983.16	/

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVIII) Other equity instrument investments (Continued)

1. Other equity instrument investments (Continued)

2023

Item	Unit: Yuan Currency: RMB									
	Increase/decrease for the period					Reasons for being measured at fair value through other comprehensive income				
	Opening balance	Increase in investment	Decrease in investment	Gains recognised in other comprehensive income for the period	Losses recognised in other comprehensive income for the period	Others	Closing balance	Dividend incomes recognised for the period	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income
Beijing Yawan High-Speed Railway Co., Ltd.	405,810,000.00	79,774,948.00	-	-	-	-	482,964,046.38	-	-	2,620,901.62
Ganzhou-Shenzhen Railway (Guangdong)	100,000,000.00	-	-	-	-	-	99,369,393.52	-	-	630,616.48
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd.	2,141,159.20	-	-	-	-	-	2,141,159.20	-	-	-
Hunan Maglev Group Co., Ltd.	100,000,000.00	-	-	15,000,000.00	-	-	115,000,000.00	-	15,000,000.00	-
Lunan High-Speed Railway Co., Ltd.	368,637,534.00	-	-	13,972,298.79	-	-	383,609,832.79	-	13,972,298.79	-
Taizhou-Hangzhou High-Speed Railway Investment Management Partnership (LLP)	147,230,466.00	-	-	-	-	-	140,205,864.05	-	-	7,024,601.95
Total	1,124,819,159.20	79,774,948.00	-	28,972,298.79	10,276,120.05	-	1,223,290,285.94	-	28,972,298.79	10,276,120.05
										/

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVIII) Other equity instrument investments (Continued)

2. *Derecognition for the period*

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

(XIX) Other non-current financial assets

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XX) Investment properties

Measurement model for investment properties

1. Investment properties measured under cost method

2024

Unit: Yuan Currency: RMB

Item	Buildings	Land use rights	Total
I. Original book value			
1. Opening balance	457,381,940.71	118,614,400.00	575,996,340.71
2. Increase during the current period	33,102,205.99	—	33,102,205.99
(1) –Inventory/Fixed assets/ Transferred from construction in progress	33,102,205.99	—	33,102,205.99
3. Decrease during the current period	—	—	—
(1) Disposal	—	—	—
(2) Others	—	—	—
4. Closing balance	490,484,146.70	118,614,400.00	609,098,546.70
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	202,979,167.12	37,703,947.35	240,683,114.47
2. Increase during the current period	16,729,699.34	2,742,105.27	19,471,804.61
(1) Provision or amortization	16,244,959.68	2,742,105.27	18,987,064.95
(2) Transferred from fixed assets	484,739.66	—	484,739.66
3. Decrease during the current period	—	—	—
(1) Disposal	—	—	—
(2) Others	—	—	—
4. Closing balance	219,708,866.46	40,446,052.62	260,154,919.08
III. Impairment provision			
IV. Carrying amount			
1. Closing carrying amount	270,775,280.24	78,168,347.38	348,943,627.62
2. Opening carrying amount	254,402,773.59	80,910,452.65	335,313,226.24

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XX) Investment properties (Continued)

1. Investment properties measured under cost method (Continued)

2023

Unit: Yuan Currency: RMB

Items	Houses and buildings	Land use rights	Total
I. Original book value:			
1. Opening balance	464,086,233.41	118,614,400.00	582,700,633.41
2. Increase during the current period	—	—	—
3. Decrease during the current period	6,704,292.70	—	6,704,292.70
(1) Disposal	80,950.00	—	80,950.00
(2) Others	6,623,342.70	—	6,623,342.70
4. Closing balance	457,381,940.71	118,614,400.00	575,996,340.71
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	187,513,239.50	34,961,842.08	222,475,081.58
2. Increase during the current period	15,734,474.06	2,742,105.27	18,476,579.33
(1) Provision or amortization	15,734,474.06	2,742,105.27	18,476,579.33
3. Decrease during the current period	268,546.44	—	268,546.44
(1) Disposal	78,521.50	—	78,521.50
(2) Others	190,024.94	—	190,024.94
4. Closing balance	202,979,167.12	37,703,947.35	240,683,114.47
III. Impairment provision			
IV. Carrying amount			
1. Closing carrying amount	254,402,773.59	80,910,452.65	335,313,226.24
2. Opening carrying amount	276,572,993.91	83,652,557.92	360,225,551.83

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XX) Investment properties (Continued)

2. Information of investment properties to which a certificate of title has not been obtained

☐ Applicable ☒ Not Applicable

3. Impairment test of investment properties measured under cost method

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

(XXI) Fixed assets

Presentation of items

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	4,957,256,807.77	5,122,689,100.30
Disposal of fixed asset	—	—
Total	4,957,256,807.77	5,122,689,100.30

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets

1. Fixed assets

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Home and buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	5,377,965,730.71	1,404,930,017.35	431,177,601.12	1,710,224,879.68	8,924,298,228.86
2. Increase during the current period	99,334,189.09	46,082,399.26	5,854,599.46	187,317,519.51	338,588,707.32
(1) Acquisition	17,688,445.58	33,279,354.46	5,252,587.17	130,568,725.68	186,789,112.89
(2) Transferred from construction in progress	79,806,744.08	12,791,878.54	119,469.03	51,710,454.58	144,428,546.23
(3) Increased from enterprise merger	1,838,999.43	11,166.26	466,337.64	5,030,473.28	7,346,976.61
(4) Others	-	-	16,205.62	7,865.97	24,071.59
3. Decrease during the current period	188,617,240.66	13,864,264.57	12,111,129.41	44,967,160.57	259,559,795.21
(1) Disposal or retirement	184,367,044.28	13,864,264.57	12,111,129.41	44,967,160.57	255,309,598.83
(2) Transferred from investment property	4,250,196.38	-	-	-	4,250,196.38
4. Closing balance	5,288,682,679.14	1,437,148,152.04	424,921,071.17	1,852,575,238.62	9,003,327,140.97
II. Accumulated depreciation					
1. Opening balance	1,301,049,544.51	940,271,525.01	426,960,221.72	1,133,295,719.26	3,801,577,010.50
2. Increase during the current period	170,944,330.67	86,982,532.23	1,043,315.26	146,665,304.64	405,635,482.80
(1) Provision	169,513,277.58	86,973,117.03	566,324.20	144,785,689.04	401,838,407.85
(2) Transferred from investment property	1,431,053.09	9,415.20	476,991.06	1,879,615.60	3,797,074.95

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. *Fixed assets(Continued)*

Item	Home and buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
3. Decrease during the current period	98,084,935.41	10,143,576.70	11,785,722.83	41,160,043.22	161,174,278.16
(1) Disposal or retirement	97,600,195.75	10,143,576.70	11,785,722.83	41,160,043.22	160,689,538.50
(2) Others	484,739.66	–	–	–	484,739.66
4. Closing balance	1,373,908,939.77	1,017,110,480.54	416,217,814.15	1,238,800,980.68	4,046,038,215.14
II. Impairment provision					
1. Opening balance	–	32,118.06	–	–	32,118.06
2. Closing balance	–	32,118.06	–	–	32,118.06
VI. Carrying amount					
1. Closing carrying amount	3,914,773,739.37	420,005,553.44	8,703,257.02	613,774,257.94	4,957,256,807.77
2. Opening carrying amount	4,076,916,186.20	464,626,374.28	4,217,379.40	576,929,160.42	5,122,689,100.30

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. Fixed assets(Continued)

2023

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
I. Original book value:					
1. Opening balance	4,715,819,652.71	1,356,193,198.39	422,662,236.94	1,555,273,864.65	8,049,948,952.69
2. Increase during the current period	675,517,328.00	90,784,886.37	12,923,140.77	181,810,657.72	961,036,012.86
(1) Acquisition	6,617,465.51	51,586,652.65	12,905,034.03	148,535,862.26	219,645,014.45
(2) Transferred from construction in progress	662,276,519.79	39,198,233.72	–	33,265,230.73	734,739,984.24
(3) Others	6,623,342.70	–	18,106.74	9,564.73	6,651,014.17
3. Decrease during the current period	13,371,250.00	42,048,067.41	4,407,776.59	26,859,642.69	86,686,736.69
(1) Disposal or retirement	13,371,250.00	16,376,514.36	3,938,764.20	26,537,316.81	60,223,845.37
(2) Other transfers	–	25,671,553.05	469,012.39	322,325.88	26,462,891.32
4. Closing balance	5,377,965,730.71	1,404,930,017.35	431,177,601.12	1,710,224,879.68	8,924,298,228.86
II. Accumulated depreciation					
1. Opening balance	1,175,470,712.82	877,030,270.08	410,238,469.41	1,006,209,352.15	3,468,948,804.46
2. Increase during the current period	136,117,540.49	92,810,902.80	21,321,947.64	153,082,590.11	403,332,981.04
(1) Provision	135,927,515.55	92,810,902.80	21,312,468.25	153,077,046.67	403,127,933.27
(2) Other transfers	190,024.94	–	9,479.39	5,543.44	205,047.77

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

1. *Fixed assets(Continued)*

Item	Buildings	Machinery equipment	Means of transportation vehicles	Electronic equipment and others	Total
3. Decrease during the current period	10,538,708.80	29,569,647.87	4,600,195.33	25,996,223.00	70,704,775.00
(1) Disposal or retirement	10,538,708.80	15,459,269.51	3,713,445.51	24,855,005.40	54,566,429.22
(2) Other transfers	–	14,110,378.36	886,749.82	1,141,217.60	16,138,345.78
4. Closing balance	1,301,049,544.51	940,271,525.01	426,960,221.72	1,133,295,719.26	3,801,577,010.50
III. Impairment provision					
1. Opening balance	–	32,118.06	–	–	32,118.06
2. Closing balance	–	32,118.06	–	–	32,118.06
IV. Carrying amount					
1. Closing carrying amount	4,076,916,186.20	464,626,374.28	4,217,379.40	576,929,160.42	5,122,689,100.30
2. Opening carrying amount	3,540,348,939.89	479,130,810.25	12,423,767.53	549,064,512.50	4,580,968,030.17

Note:

- As at 31 December 2024 and 31 December 2023, none of main fixed assets for production and operation of the Company became temporarily idle.
- As at 31 December 2024 and 31 December 2023, the Company had no fixed assets with title restriction.
- As at the approval date of this financial statement, the Company was applying for title certificate and handling registration or transfer procedures for houses and buildings with book values totaling RMB924,227,648.73 as of 31 December 2024. The management of the Company believed that the Company has the right to legally and effectively occupy and use the above-mentioned houses, and also believed that the above matters will not have any significant adverse impact on the overall financial position of the Company as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXI) Fixed assets (Continued)

Fixed assets (Continued)

2. *Temporarily-idle fixed assets*

☐ Applicable ☒ Not Applicable

3. *Fixed assets leased in through financial leases*

☐ Applicable ☒ Not Applicable

4. *Fixed assets for which title certificates have not been obtained*

☐ Applicable ☒ Not Applicable

5. *Impairment test of fixed assets*

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

Disposal of fixed assets

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress

Presentation of item

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	809,309,770.26	400,246,410.75
Total	809,309,770.26	400,246,410.75

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress

1. Construction in progress

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
CRSC Electrochemical Science and Technology Mansion	277,336,841.64	-	277,336,841.64	163,777,348.62	-	163,777,348.62
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	347,535,616.26	-	347,535,616.26	107,196,319.94	-	107,196,319.94
Industrial Project for Deeply Autonomous Train Control System of High Speed Railway	-	-	-	30,231,326.58	-	30,231,326.58
CRSC Changsha Industrial Park Project	29,225,423.66	-	29,225,423.66	29,376,367.06	-	29,376,367.06
Research and Application of Heavy-haul Train Group Operation Control System Technology	60,194,159.37	-	60,194,159.37	8,636,843.39	-	8,636,843.39
Shenzhen Real Estate	32,730,504.62	-	32,730,504.62	-	-	-
Others	62,287,224.71	-	62,287,224.71	61,028,205.16	-	61,028,205.16
Total	809,309,770.26	-	809,309,770.26	400,246,410.75	-	400,246,410.75

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress (Continued)

2. Changes in important projects under construction for the current period

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Project name	Opening balance	Opening balance	Increase during the period	Transferred into fixed assets/ intangible assets during the period	Other decrease during the period	Closing balance	Proportion of project investment to budget (%)	Source of funds
CRSC Electrochemical Science and Technology Mansion	600,000,000.00	163,777,348.62	113,559,493.02	-	-	277,336,841.64	46.22	Self-raised funds
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	494,570,000.00	107,196,319.94	240,339,296.32	-	-	347,535,616.26	70.27	Self-raised funds
Industrial Project for Deeply Autonomous Train Control System of High Speed Railway	35,230,000.00	30,231,326.58	2,302,943.05	32,534,269.63	-	-	-	Self-raised funds
CRSC Changsha Industrial Park Project	900,000,000.00	29,376,367.06	-	-	150,943.40	29,225,423.66	3.25	Self-raised funds
Research and Application of Heavy-haul Train Group Operation Control System Technology	127,330,000.00	8,636,843.39	51,557,315.98	-	-	60,194,159.37	47.27	Self-raised funds
Shenzhen Real Estate	140,940,000.00	-	130,856,982.91	69,274,468.68	28,852,009.61	32,730,504.62	23.22	Self-raised funds
Others	-	61,028,205.16	56,011,200.79	45,549,812.92	9,202,368.32	62,287,224.71	-	Self-raised funds
Total	-	400,246,410.75	594,627,232.07	147,358,551.23	38,205,321.33	809,309,770.26	-	/

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress (Continued)

2. Changes in important projects under construction for the current period (Continued)

2023

Unit: Yuan Currency: RMB

Project name	Opening balance	Opening balance	Increase during the period	Transferred into fixed assets during the period	Other decrease during the period	Closing balance	Proportion of project investment to budget (%)	Source of funds
CRSC Electrochemical Science and Technology Mansion	600,000,000.00	85,744,917.80	78,032,430.82	-	-	163,777,348.62	27.30	Self-raised funds
Digitalization and Intelligent Upgrade of Autonomous R&D Bases for Infrastructure of Train Control System of Rail Transit	494,570,000.00	917,152.84	106,279,167.10	-	-	107,196,319.94	21.67	Self-raised funds
Industrial Project for Deeply Autonomous Train Control System of High Speed Railway	35,230,000.00	24,672,735.10	5,558,591.48	-	-	30,231,326.58	85.81	Self-raised funds
CRSC Changsha Industrial Park Project	900,000,000.00	26,753,204.70	2,623,162.36	-	-	29,376,367.06	3.26	Self-raised funds
One Center Tower II Renovation Project	720,000,000.00	657,621,681.63	24,589,703.52	670,470,345.18	11,741,039.97	-	94.75	Self-raised funds
The Research on Electromagnetic Environmental Effects of Rail Transportation and Construction of Test Platform	17,951,750.00	13,474,005.54	2,272,506.23	15,746,511.77	-	-	87.72	Self-raised funds
Others	-	82,352,706.32	46,061,353.72	48,523,127.29	10,225,884.20	69,665,048.55	-	Self-raised funds
Total	-	891,536,403.93	265,416,915.23	734,739,984.24	21,966,924.17	400,246,410.75	-	/

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXII) Construction in progress (Continued)

Construction in progress (Continued)

3. *Provision for impairment of construction in progress made during the period*

☐ Applicable ☒ Not Applicable

4. *Impairment test of construction in progress*

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

Construction materials

1. *Construction materials*

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIII) Productive biological assets

1. Productive biological assets measured under cost method

☐ Applicable ☒ Not Applicable

2. Impairment test of productive biological assets measured under cost method

☐ Applicable ☒ Not Applicable

3. Productive biological assets measured at fair value

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIV) Oil and gas assets

1. Oil and gas assets

☐ Applicable ☒ Not Applicable

2. Impairment test of oil and gas assets

The recoverable amount is determined as net amount of fair value less costs of disposal

☒ Applicable ☐ Not Applicable

The recoverable amount is determined as the present value of estimated future cash flows

☐ Applicable ☒ Not Applicable

Reasons for significant inconsistency between the aforesaid information and the information used by the previous impairment tests or external information

☐ Applicable ☒ Not Applicable

Reasons for inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXV) Right-of-use assets (Continued)

1. Right-of-use assets (Continued)

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicles	Total
I. Original book value				
1. Opening balance	464,674,283.67	3,401,363.71	1,054,943.30	469,130,590.68
2. Increase during the current period	64,916,313.34	—	1,298,278.64	66,214,591.98
(1) New leases	66,216,288.57	—	1,298,278.64	67,514,567.21
(2) Revaluation adjustments	-1,332,613.38	—	—	-1,332,613.38
(3) Others	32,638.15	—	—	32,638.15
3. Decrease during the current period	65,018,282.13	—	—	65,018,282.13
(1) Disposal and others	65,018,282.13	—	—	65,018,282.13
4. Closing balance	464,572,314.88	3,401,363.71	2,353,221.94	470,326,900.53
II. Accumulated depreciation				
1. Opening balance	344,019,691.94	226,757.59	248,184.53	344,494,634.06
2. Increase during the current period	67,113,209.27	1,100,181.20	665,847.22	68,879,237.69
(1) Provision	67,086,010.81	1,100,181.20	665,847.22	68,852,039.23
(2) Others	27,198.46	—	—	27,198.46

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXV) Right-of-use assets (Continued)

1. Right-of-use assets (Continued)

Item	Buildings	Machinery equipment	Means of transportation vehicles	Total
3. Decrease during the current period	71,054,335.76	—	—	71,054,335.76
(1) Disposal and others	71,054,335.76	—	—	71,054,335.76
4. Closing balance	340,078,565.45	1,326,938.79	914,031.75	342,319,535.99
III. Impairment provision				
1. Opening balance	—	—	—	—
2. Increase during the current period	—	—	—	—
3. Decrease during the current period	—	—	—	—
4. Closing balance	—	—	—	—
IV. Carrying amount				
1. Closing carrying amount	124,493,749.43	2,074,424.92	1,439,190.19	128,007,364.54
2. Opening carrying amount	120,654,591.73	3,174,606.12	806,758.77	124,635,956.62

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXV) Right-of-use assets (Continued)

1. Right-of-use assets (Continued)

2023

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Means of transportation vehicles	Total
I. Original book value				
1. Opening balance	433,719,767.54	3,401,363.71	1,054,943.30	438,176,074.55
2. Increase during the current period	31,376,817.87	—	—	31,376,817.87
(1) New leases	35,900,438.15	—	—	35,900,438.15
(2) Revaluation adjustments	-4,560,087.31	—	—	-4,560,087.31
(3) Others	36,467.03	—	—	36,467.03
3. Decrease during the current period	422,301.74	—	—	422,301.74
(1) Disposal	422,301.74	—	—	422,301.74
(2) Others	—	—	—	—
4. Closing balance	464,674,283.67	3,401,363.71	1,054,943.30	469,130,590.68
II. Accumulated depreciation				
1. Opening balance	263,955,735.70	56,689.40	202,379.05	264,214,804.15
2. Increase during the current period	80,435,602.38	170,068.19	45,805.48	80,651,476.05
(1) Provision	84,836,532.92	170,068.19	45,805.48	85,052,406.59
(2) Others	-4,400,930.54	—	—	-4,400,930.54
3. Decrease during the current period	371,646.14	—	—	371,646.14
(1) Disposal	371,646.14	—	—	371,646.14
4. Closing balance	344,019,691.94	226,757.59	248,184.53	344,494,634.06
III. Impairment provision				
1. Opening balance	—	—	—	—
2. Increase during the current period	—	—	—	—
3. Decrease during the current period	—	—	—	—
4. Closing balance	—	—	—	—
IV. Carrying amount				
1. Closing carrying amount	120,654,591.73	3,174,606.12	806,758.77	124,635,956.62
2. Opening carrying amount	169,764,031.84	3,344,674.31	852,564.25	173,961,270.40

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXV) Right-of-use assets (Continued)

2. *Impairment test of right-of-use assets*

☒ Applicable ☐ Not Applicable

The recoverable amount is determined as the net amount of fair value less costs of disposal

☐ Applicable ☒ Not Applicable

The recoverable amount is determined as the present value of estimated future cash flows

☐ Applicable ☒ Not Applicable

Reasons for significant inconsistency between the aforesaid information and the information used by the previous impairment tests or external information

☐ Applicable ☒ Not Applicable

Reasons for inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVI) Intangible assets

1. Information about intangible assets

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Land use rights	Patents	Software	Unfinished contract	Customer relationships	Total
I. Original book value						
1. Opening balance	2,448,480,404.53	1,215,424,538.05	491,694,984.34	169,921,119.24	244,325,834.78	4,569,846,880.94
2. Increase during the current period	-	137,206,009.06	116,085,273.60	-	24,323,193.41	277,614,476.07
(1) Acquisition	-	707,402.17	98,159,142.15	-	-	98,866,544.32
(2) Internal R&D	-	136,498,606.89	14,996,126.45	-	-	151,494,733.34
(3) Business combination	-	-	-	-	24,323,193.41	24,323,193.41
(4) Transferred from construction under progress	-	-	2,930,005.00	-	-	2,930,005.00
3. Decrease during the current period	6,606,105.21	-	734,527.04	-	-	7,340,632.25
(1) Disposal	6,606,105.21	-	734,527.04	-	-	7,340,632.25
4. Closing balance	2,441,874,299.32	1,352,630,547.11	607,045,730.90	169,921,119.24	268,649,028.19	4,840,120,724.76
II. Accumulated amortization						
1. Opening balance	545,513,040.00	606,874,216.97	415,568,377.20	169,921,119.24	244,325,834.78	1,982,202,588.19
2. Increase during the current period	50,852,483.82	137,793,678.40	42,476,717.51	-	1,256,976.64	232,379,856.37
(1) Provision	50,852,483.82	137,793,678.40	42,476,717.51	-	1,256,976.64	232,379,856.37
3. Decrease during the current period	627,294.52	-	734,527.04	-	-	1,361,821.56
(1) Disposal	627,294.52	-	734,527.04	-	-	1,361,821.56
4. Closing balance	595,738,229.30	744,667,895.37	457,310,567.67	169,921,119.24	245,582,811.42	2,213,220,623.00
III. Impairment provision						
IV. Carrying amount						
1. Closing carrying amount	1,846,136,070.02	607,962,651.74	149,735,163.23	-	23,066,216.77	2,626,900,101.76
2. Opening carrying amount	1,902,967,364.53	608,550,321.08	76,126,607.14	-	-	2,587,644,292.75

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVI) Intangible assets (Continued)

1. Information about intangible assets (Continued)

2023

Unit: Yuan Currency: RMB

Item	Land use rights	Patents	Software	Unfinished contract	Customer relationships	Total
I. Original book value						
1. Opening balance	2,448,480,404.53	1,038,000,450.03	416,596,349.37	169,921,119.24	244,325,834.78	4,317,324,157.95
2. Increase during the current period	-	177,424,088.02	75,155,899.93	-	-	252,579,987.95
(1) Acquisition	-	464,873.33	60,242,305.77	-	-	60,707,179.10
(2) Internal R&D	-	176,959,214.69	6,906,067.11	-	-	183,865,281.80
(3) Others	-	-	8,007,527.05	-	-	8,007,527.05
3. Decrease during the current period	-	-	57,264.96	-	-	57,264.96
(1) Disposal	-	-	57,264.96	-	-	57,264.96
4. Closing balance	2,448,480,404.53	1,215,424,538.05	491,694,984.34	169,921,119.24	244,325,834.78	4,569,846,880.94
II. Accumulated amortization						
1. Opening balance	494,583,481.24	493,684,778.54	378,075,615.59	169,921,119.24	217,311,753.12	1,753,576,747.73
2. Increase during the current period	50,929,558.76	113,189,438.43	37,550,026.57	-	27,014,081.66	228,683,105.42
(1) Provision	50,929,558.76	113,189,438.43	37,550,026.57	-	27,014,081.66	228,683,105.42
3. Decrease during the current period	-	-	57,264.96	-	-	57,264.96
(1) Disposal	-	-	57,264.96	-	-	57,264.96
4. Closing balance	545,513,040.00	606,874,216.97	415,568,377.20	169,921,119.24	244,325,834.78	1,982,202,588.19
III. Impairment provision						
IV. Carrying amount						
1. Closing carrying amount	1,902,967,364.53	608,550,321.08	76,126,607.14	-	-	2,587,644,292.75
2. Opening carrying amount	1,953,896,923.29	544,315,671.49	38,520,733.78	-	27,014,081.66	2,563,747,410.22

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Intangible assets (Continued)

1. Information about intangible assets (Continued)

2023 (Continued)

Note:

- (1) As at 31 December 2024, the carrying amount of intangible assets with title restriction was RMB87,067,808.48 (As at 31 December 2023, the Company had no intangible assets with title restriction).
- (2) The intangible assets derived from internal research and development accounted for 3.13% of the closing carrying amount of intangible assets (2023: 4.02%).
- (3) As of the approval date of this financial statement, the Company had obtained the title certificates and completed the procedures for registration for the land use rights.

2. Data resources recognised as intangible assets

☐ Applicable ☒ Not Applicable

3. Information about land use rights for which a certificate of title has not been obtained

☐ Applicable ☒ Not Applicable

4. Impairment test of intangible assets

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill

1. Original carrying amount of goodwill

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Arising from business combination	Others	Disposal		
CASCO	201,027,354.70	-	-	-		201,027,354.70
Changsha Architectural Design Institute Co., Ltd. ("Changsha Design Institute")	37,429,932.37	-	-	-		37,429,932.37
Electrification Bureau	30,525,980.16	-	-	-		30,525,980.16
CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. ("Zhengzhou Zhong'an")	27,673,509.65	-	-	-		27,673,509.65
CRSC Wanquan Signal Equipment Co., LTD.	3,865,524.80	-	-	-		3,865,524.80
CRSC First Construction Co., Ltd. ("First Construction")	3,802,223.24	-	-	-		3,802,223.24
Shanghai Deuta Electronic & Electrical Equipment Co., Ltd. ("Shanghai Deuta")	669,345.89	-	-	-		669,345.89
Others	330,257.77	-	-	-		330,257.77
Total	305,324,128.58	-	-	-		305,324,128.58

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

1. Original carrying amount of goodwill (Continued)

2023

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period Arising from business combination	Decrease during the period Disposal	Closing balance
CASCO	201,027,354.70	—	—	201,027,354.70
Changsha Design Institute	37,429,932.37	—	—	37,429,932.37
Electrification Bureau	30,525,980.16	—	—	30,525,980.16
Zhengzhou Zhong'an	27,673,509.65	—	—	27,673,509.65
CRSC Wanquan Signal Equipment	3,865,524.80	—	—	3,865,524.80
First Construction	3,802,223.24	—	—	3,802,223.24
Shanghai Deuta	669,345.89	—	—	669,345.89
Others	330,257.77	—	—	330,257.77
Total	305,324,128.58	—	—	305,324,128.58

Note:

- The Company allocates the carrying amount of goodwill of CASCO to the asset group that can benefit from the synergies of the business combination, and performs impairment test on this basis. The recoverable amount of the asset group is determined based on the higher of its net fair value less costs of disposal and the present value of estimated future cash flows of the asset group; indicating that the asset group is not impaired if either of which is more than the carrying amount of the asset group.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

1. Original carrying amount of goodwill (Continued)

Note: (Continued)

The asset group of CASCO in this year is consistent with the asset group determined at the acquisition date and the goodwill impairment test in previous years. The determination of an asset group is based on whether the main cash inflow of the asset group is independent of other assets, as well as the way for the enterprise management to manage production and operation activities, and the decision-making method for the continued use or disposal of assets. In this year, CASCO confirmed that CASCO asset group portfolio was the smallest unit of asset groups with the combination of goodwill and its relevant assets based on the cash flow generated from goodwill. The cash flow generated from this asset group is independent of other assets or other asset groups, and the recoverable amount of the asset group is the present value of the estimated future cash flows of CASCO. The amounts of key assumptions of the asset group related to impairment tests were consistent with the Company's historical experience and external information. The key assumptions made by management in determining the present value of the cash flow forecast are as follows:

Item	31 December 2024	31 December 2023
Forecast period	5 years	5 years
Discount rate	16.57%	15.12%
Average growth rate of income in the forecast period	2.00%	2.00%

As at 31 December 2024 and 31 December 2023, the goodwill of the CASCO asset group has not been impaired and therefore no provision for impairment was required.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

1. Original carrying amount of goodwill (Continued)

Note: (Continued)

- (2) The Company conducted impairment test on the allocation of goodwill resulting from the acquisition of Zhengzhou Zhong'an, CRSC Electrification Bureau and Changsha Design Institute to the asset group. The combination of asset groups is the combination which the goodwill combined with smallest asset groups related to it, and the cash flow generated from this asset group was independent from other assets or other asset groups, which was consistent with the combination of asset groups determined at the date of purchase and during the impairment test for prior years. The recoverable amount was determined according to the present value of the expected future cash flows of those subsidiaries, and the expected future cash flows were determined according to the cash flow forecast based on the 5-year financial budget approved by the management. The pre-tax discount rates used in the cash flow forecast were 14.57%, 14.57% and 12.71% respectively (14.09%, 14.09% and 13.32% respectively in 2023). After testing, the goodwill generated by the acquisition of Electrification Bureau by the Company has not been impaired, so no provision for impairment is required; and the goodwill generated by the acquisition of Zhengzhou Zhong'an and Changsha Design Institute has been impaired, and a provision of RMB16.6647 million and RMB25.7684 million for impairment has been made respectively.

- (3) Assumptions were used to calculate the present value of the expected future cash flows of CASCO, Zhengzhou Zhong'an CRSC Electrification Bureau and Changsha Design Institute as at 31 December 2024 and 31 December 2023. The following details the key assumptions made by the management in determining the cash flow forecast for goodwill impairment test:

Budget gross margin – The determination basis was to appropriately increase the average gross margin that was realized in the year before the budget year on the basis of the expected efficiency improvement and the expected market development.

Discount rate – The discount rate adopted was the pre-tax discount rate that reflects the specific risks of the relevant asset group.

The amounts of key assumptions of the asset group related to impairment tests were consistent with the Company's historical experience and external information.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

2. Provision for impairment of goodwill

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Increase during the period			Decrease during the period		Closing balance
	Opening balance	Provision	Others	Disposal	Others	
Changsha Design Institute	5,616,900.00	20,151,500.00	-	-	-	25,768,400.00
Zhengzhou Zhong'an	16,664,700.00	-	-	-	-	16,664,700.00
Total	22,281,600.00	20,151,500.00	-	-	-	42,433,100.00

2023

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Increase during the period			Decrease during the period		Closing balance
	Opening balance	Provision	Others	Disposal	Others	
Changsha Design Institute	-	5,616,900.00	-	-	-	5,616,900.00
Zhengzhou Zhong'an	-	16,664,700.00	-	-	-	16,664,700.00
Total	-	22,281,600.00	-	-	-	22,281,600.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

3. Information about the asset group or combination of asset groups to which the goodwill belongs

☐ Applicable ☒ Not Applicable

Changes in the asset group or combination of asset groups

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

4. Method to determine the recoverable amount

The recoverable amount is net fair value less costs of disposal

☐ Applicable ☒ Not Applicable

The recoverable amount is the present value of estimated future cash flows

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVII) Goodwill (Continued)

4. *Method to determine the recoverable amount (Continued)*

Reasons for significant inconsistency between the aforesaid information and the information used by the previous impairment test or external information

☐ Applicable ☒ Not Applicable

Reasons for inconsistency between the information used by the Company for previous impairment tests and the facts for the corresponding years

☐ Applicable ☒ Not Applicable

5. *Performance commitments and the impact on goodwill impairment test*

Performance commitments exist when goodwill is recognised and the reporting period or the period preceding the reporting period is within the period of the commitments.

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXVIII) Long-term deferred expenses

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Amortization for the period	Other deduction	Closing balance
Costs of improvements to fixed assets under operating leases and others	55,688,360.12	14,221,776.61	33,009,034.53	—	36,901,102.20
Total	55,688,360.12	14,221,776.61	33,009,034.53	—	36,901,102.20

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Amortization for the period	Other deduction	Closing balance
Costs of improvements to fixed assets under operating leases and others	58,177,965.51	21,123,615.05	23,609,033.15	4,187.29	55,688,360.12
Total	58,177,965.51	21,123,615.05	23,609,033.15	4,187.29	55,688,360.12

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities

1. Deferred tax assets not offset

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	2,556,533,382.07	560,296,634.33	2,179,960,114.84	471,315,186.90
Recognition of lease liabilities	114,100,369.54	22,471,563.21	131,220,810.13	23,056,442.97
Unrealized profits in intra-group transactions	72,445,687.20	18,042,401.88	43,919,461.46	10,910,845.45
Deferred income	97,279,403.07	16,997,982.60	153,015,228.16	25,435,568.79
Estimated liabilities	54,297,506.68	7,411,238.67	53,361,704.01	8,094,918.45
Unpaid employee benefits payable	51,437,177.14	9,672,584.74	60,089,649.35	12,004,235.95
Others	87,638,720.70	20,993,696.57	93,331,187.82	22,699,641.57
Total	3,033,732,246.40	655,886,102.00	2,714,898,155.77	573,516,840.08

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities (Continued)

2. Deferred tax liabilities not offset

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Depreciation of fixed assets	79,705,852.60	11,955,877.89	89,497,808.33	13,424,671.25
Recognition of right-of-use assets	128,007,364.54	24,466,999.94	124,635,956.62	22,154,502.91
Fair value adjustment of business combination not under common control	48,976,286.65	11,393,133.31	52,114,602.59	12,143,674.76
Floating profit and loss in portion of positions of copper futures	—	—	1,432,775.00	214,916.25
Others	185,010,343.47	46,202,790.17	120,623,018.14	30,153,058.18
Total	441,699,847.26	94,018,801.31	388,304,160.68	78,090,823.35

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities (Continued)

3. Deferred tax assets or liabilities stated on a net basis after offset

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount of deferred tax assets and liabilities offset at the end of the period		Amount of deferred tax assets and liabilities offset at the beginning of the period	
		Closing amount of deferred tax assets or liabilities after the offset		Opening amount of deferred tax assets or liabilities after the offset
Deferred tax assets	44,360,066.34	611,526,035.66	22,887,387.16	550,629,452.92
Deferred tax liabilities	44,360,066.34	49,658,734.97	22,887,387.16	55,203,436.19

4. Breakdown of unrecognised deferred tax assets

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	33,152,551.25	38,128,880.80
Deductible loss	730,970,383.36	494,200,658.79
Total	764,122,934.61	532,329,539.59

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXIX) Deferred tax assets/liabilities (Continued)

5. Deductible loss for which no deferred tax assets are recognised will become due in the following years

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance	Remarks
2024	—	16,533,026.26	/
2025	32,248,171.52	32,248,171.52	/
2026	80,649,893.27	82,374,945.76	/
2027	43,830,165.39	44,337,993.44	/
2028	24,479,243.24	23,961,642.68	/
2029	82,347,814.79	39,512,549.27	/
2030	33,034,023.51	41,231,965.89	/
2031	22,304,698.40	29,485,952.16	/
2032	71,699,567.92	101,934,286.38	/
2033	97,853,593.17	82,580,125.43	/
2034	242,523,212.15	—	/
Total	730,970,383.36	494,200,658.79	/

Note: The Company believes that it is not probable that future taxable income will be available to offset the reducible temporary differences and deductible losses described above and, therefore, no deferred tax assets have been recognised for these items.

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXX) Other non-current assets

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Project quality deposit	1,094,056,714.91	4,484,867.34	1,089,571,847.57	599,103,003.95	5,854,768.81	593,248,235.14
Prepayment for fixed assets	38,586,662.26	–	38,586,662.26	48,275,316.40	–	48,275,316.40
Receivables of "Build-Operate-Transfer" project	5,302,496,075.83	57,857,349.59	5,244,638,726.24	5,960,721,997.76	57,837,476.16	5,902,884,521.60
Fixed deposit interest	18,601,111.08	–	18,601,111.08	21,510,305.61	–	21,510,305.61
Total	6,453,740,564.08	62,342,216.93	6,391,398,347.15	6,629,610,623.72	63,692,244.97	6,565,918,378.75

Note: As at 31 December 2024, the Company's book value of other non-current assets of RMB4,915,049,570.76 and book value of receivables of RMB680,198,573.12 (31 December 2023: other non-current assets of RMB4,957,337,547.83 and receivables of RMB634,223,818.22), which were formed by the earning rights of the franchise pledged and all proceeds thereunder were used to obtain long-term loans of RMB3,037,783,923.00 (31 December 2023: RMB3,194,933,469.48). See Note "VII. (XXXI)" for details.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXX) Other non-current assets (Continued)

Provision for bad debt regarding other non-current assets

2024

Categories	Opening balance	Provision	Increase/decrease during the period		Closing balance
			Recovery or reversal	Write-off or cancellation	
Provision for bad debt	63,692,244.97	-1,350,028.04	-	-	62,342,216.93
Total	63,692,244.97	-1,350,028.04	-	-	62,342,216.93

2023

Categories	Opening balance	Provision	Increase/decrease during the period		Closing balance
			Recovery or reversal	Write-off or cancellation	
Provision for bad debt	55,822,646.59	7,869,598.38	-	-	63,692,244.97
Total	55,822,646.59	7,869,598.38	-	-	63,692,244.97

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXI) Assets with restricted ownership or right of use

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing				Opening			
	Book balance	Carrying amount	Type	Description of restriction	Book balance	Carrying amount	Type	Description of restriction
Cash and bank balances	443,657,457.27	443,657,457.27	Other	Acceptance bill deposits, guarantee letter deposits and others	597,589,132.57	597,589,132.57	Other	Acceptance bill deposits, guarantee letter deposits and others
Bills receivable	420,994,803.11	409,762,991.02	Pledge	Pledged borrowings	358,773,791.94	348,010,578.18	Pledge	Pledged borrowings
Receivables for -financing	–	–	Pledge	Pledged borrowings	500,000.00	500,000.00	Pledge	Pledged borrowings
Accounts receivable	1,086,198,573.12	723,342,896.91	Pledge	Pledged borrowings, factoring	634,223,818.22	608,829,017.21	Pledge	Pledged borrowings
Other non-current assets	4,915,049,570.76	4,896,343,364.30	Pledge	Pledged borrowings	4,957,337,547.83	4,938,321,443.67	Pledge	Pledged borrowings
Intangible assets	87,067,808.48	87,067,808.48	Pledge	Pledged borrowings	–	–	–	–
Total	6,952,968,212.74	6,560,174,517.98	/	/	6,548,424,290.56	6,493,250,171.63	/	/

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXII) Short-term borrowings

1. Breakdown of short-term borrowings

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings	105,270,799.80	126,672,665.87
Credit borrowings	38,194,632.03	2,324,960,481.18
Total	143,465,431.83	2,451,633,147.05

Description of classification of short-term borrowings:

As at 31 December 2023, the book values of bank acceptance bills and commercial acceptance bills pledged by the Company were RMB1,500,000.00, and RMB103,770,799.80 respectively, which was used to obtain short-term loans of RMB105,270,799.80 (As at 31 December 2023, the book values of bank acceptance bills, commercial acceptance bills pledged by the Company and other credit instruments measured at fair value through other comprehensive income were RMB6,061,051.80, RMB120,111,614.07 and RMB500,000.00, respectively, which was used to obtain short-term loans of RMB126,672,665.87). Please see Note "VII. (XXXI)".

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXII) Short-term borrowings (Continued)

2. Overdue but unpaid short-term borrowings

☐ Applicable ☒ Not Applicable

Major overdue but unpaid short-term borrowings:

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

(XXXIII) Financial liabilities held-for-trading

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

(XXXIV) Derivative financial liabilities

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXV) Bills payable

1. Breakdown of bills payable

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills	914,631,935.25	856,775,260.38
Bank acceptance bills	860,977,208.36	559,577,868.93
Total	1,775,609,143.61	1,416,353,129.31

Note: As of 31 December 2024 and 31 December 2023, the Company did not have overdue but unpaid bills payable.

(XXXVI) Accounts payable

1. Accounts payable by aging on recording dates

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	23,865,836,803.98	29,679,263,560.27
1 to 2 years	8,243,506,996.49	10,716,501,363.79
2 to 3 years	5,104,577,209.46	4,548,280,124.74
Over 3 years	5,521,822,845.88	4,725,461,651.01
Total	42,735,743,855.81	49,669,506,699.81

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXVI) Accounts payable (Continued)

2 Major accounts payable aged over one year

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the total of the top five accounts payable aged over one year amounted to RMB1,081,547,180.55.

As at 31 December 2023, the total of the top five accounts payable aged over one year amounted to RMB1,044,324,977.73.

Other explanation

☐ Applicable ☒ Not Applicable

(XXXVII) Advance receipts

1. Breakdown of advance receipts

☐ Applicable ☒ Not Applicable

2. Major advance receipts aged over one year

☐ Applicable ☒ Not Applicable

3. Amount of and reason for significant change in carrying amount within the Reporting Period

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

(XXXVIII) Contract liabilities

1. Breakdown of contract liabilities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advances	2,173,801,701.12	1,837,526,824.46
Incomplete project, settled	8,086,919,099.28	5,988,124,850.05
Total	10,260,720,800.40	7,825,651,674.51

2. Major contract liabilities aged over one year

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XXXVIII) Contract liabilities (Continued)

3. Amount of and reason for significant change in carrying amount within the Reporting Period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Change in amount	Reasons for change
Advances	336,274,876.66	Collection at the beginning of the period was recognized as revenue in the current period
Incomplete project, settled	2,098,794,249.23	The newly added settlement amount in the current period is greater than the completion amount
Total	2,435,069,125.89	/

Note The contract liabilities of RMB3,934,884,564.02 included in the carrying amount as at 31 December 2023 have been transferred to revenue in 2024.

Other explanation:

☐ Applicable ☒ Not Applicable

(XXXIX) Customers deposits and deposits from banks and other financial institutions

Item	Closing balance	Opening balance
Deposits absorbed by the finance company	3,001,258,120.80	138,046,438.06
Total	3,001,258,120.80	138,046,438.06

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XL) Employee benefits payable

1. Breakdown of employee benefits payable

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term benefits	634,609,870.75	5,501,235,477.26	5,296,634,544.60	839,210,803.41
II. Post-employment benefits (defined contribution plan)	29,189,317.02	718,476,852.05	715,372,388.88	32,293,780.19
III. Dismissal benefits	610,641.50	7,291,440.99	7,902,082.49	–
IV. Other benefits due within one year	36,607,000.00	35,332,000.00	34,698,000.00	37,241,000.00
Total	701,016,829.27	6,262,335,770.30	6,054,607,015.97	908,745,583.60

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Short-term benefits	613,320,665.31	5,237,237,390.13	5,215,948,184.69	634,609,870.75
II. Post-employment benefits (defined contribution plan)	37,455,153.62	678,484,641.21	686,750,477.81	29,189,317.02
III. Dismissal benefits	–	3,027,740.19	2,417,098.69	610,641.50
IV. Other benefits due within one year	39,845,000.00	22,347,000.00	25,585,000.00	36,607,000.00
Total	690,620,818.93	5,941,096,771.53	5,930,700,761.19	701,016,829.27

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XL) Employee benefits payable (Continued)

2. Breakdown of short-term remunerations

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	23,076,956.73	4,028,392,845.09	3,931,963,013.08	119,506,788.74
II. Employee welfare benefits	381,617,385.84	317,224,998.73	239,914,099.73	458,928,284.84
III. Social insurance premiums	54,522,762.71	422,014,023.61	411,909,186.95	64,627,599.37
Including: Medical insurance premiums	53,646,628.06	389,940,894.39	383,047,443.19	60,540,079.26
Industrial injury insurance premiums	462,143.04	16,678,500.18	16,624,075.45	516,567.77
Maternity insurance premiums	413,991.61	6,082,073.18	5,858,579.06	637,485.73
Others	—	9,312,555.86	6,379,089.25	2,933,466.61
IV. Housing provident fund	3,529,354.44	405,982,713.03	406,089,624.62	3,422,442.85
V. Labour union funds and staff education funds	171,034,624.26	114,516,251.26	97,967,233.68	187,583,641.84
VI. Other short-term compensation	—	—	—	—
VII. Short-term profit-sharing plan	—	—	—	—
VIII. Others	828,786.77	213,104,645.54	208,791,386.54	5,142,045.77
Total	634,609,870.75	5,501,235,477.26	5,296,634,544.60	839,210,803.41

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XL) Employee benefits payable (Continued)

2. Breakdown of short-term remunerations (Continued)

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
I. Wages, bonuses, allowances and subsidies	71,453,999.93	3,833,277,965.34	3,881,655,008.54	23,076,956.73
II. Employee welfare benefits	312,825,764.84	339,621,760.62	270,830,139.62	381,617,385.84
III. Social insurance premiums	62,460,111.64	388,010,453.34	395,947,802.27	54,522,762.71
Including: Medical insurance premiums	61,364,245.95	364,667,548.45	372,385,166.34	53,646,628.06
Industrial injury insurance premiums	679,876.76	16,530,967.83	16,748,701.55	462,143.04
Maternity insurance premiums	415,988.93	6,811,937.06	6,813,934.38	413,991.61
IV. Housing provident fund	2,800,628.76	379,386,864.53	378,658,138.85	3,529,354.44
V. Labour union funds and staff education funds	163,107,546.13	105,919,470.13	97,992,392.00	171,034,624.26
VI. Other short-term compensation	—	—	—	—
VII. Short-term profit-sharing plan	—	—	—	—
VIII. Others	672,614.01	191,020,876.17	190,864,703.41	828,786.77
Total	613,320,665.31	5,237,237,390.13	5,215,948,184.69	634,609,870.75

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XL) Employee benefits payable (Continued)

3. Breakdown of defined contribution plan

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance	18,603,134.39	541,836,036.41	539,682,193.81	20,756,976.99
2. Unemployment insurance	612,992.78	18,677,039.11	18,632,176.52	657,855.37
3. Enterprise annuity payment	9,973,189.85	157,963,776.53	157,058,018.55	10,878,947.83
Total	29,189,317.02	718,476,852.05	715,372,388.88	32,293,780.19

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XL) Employee benefits payable (Continued)

3. Breakdown of defined contribution plan (Continued)

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
1. Basic pension insurance	23,904,261.66	508,325,967.02	513,627,094.29	18,603,134.39
2. Unemployment insurance	297,946.38	18,668,040.28	18,352,993.88	612,992.78
3. Enterprise annuity payment	13,252,945.58	151,490,633.91	154,770,389.64	9,973,189.85
Total	37,455,153.62	678,484,641.21	686,750,477.81	29,189,317.02

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLI) Taxes payable

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	791,237,034.27	592,242,716.66
Enterprise income tax	280,417,799.75	286,153,473.19
Individual income tax	154,380,457.96	122,533,185.89
Urban maintenance and construction tax	28,059,701.93	20,562,792.07
Property tax	2,193,480.95	1,182,650.65
Educational surcharge	20,711,340.83	14,890,425.39
Land use tax	1,152,281.20	1,182,650.65
Others	713,488.46	1,899,086.97
Total	1,278,865,585.35	1,040,646,981.47

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLII) Other payables

1. Presentation of item

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	12,169,644.46	61,102,622.90
Other payables	1,961,827,723.66	1,674,417,947.97
Total	1,973,997,368.12	1,735,520,570.87

Other explanation:

☐ Applicable ☒ Not Applicable

2. Interests payable

Classified presentation

☐ Applicable ☒ Not Applicable

Major overdue interest payable:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLII) Other payables (Continued)

3. Dividends payable

Classified presentation

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
China Railway Zhengzhou Group Co., Ltd.	—	51,366,300.00
Jishou Tengda Economic Construction and Investment Co., Ltd.	5,161,533.00	3,751,533.00
Jishou Huatai Underground Pipeline Investment and Construction Co., Ltd.	2,281,266.00	2,438,266.00
Taixing Zhiguang Technology Talents Plaza Management Co., Ltd.	2,270,000.00	2,270,000.00
Eltek AS	1,240,876.56	607,958.40
Zenitel Norway AS	1,073,219.40	525,816.00
Hangzhou Tianyue Win-Win Corporate Management Partnership (Limited Partnership)	142,749.50	142,749.50
Total	12,169,644.46	61,102,622.90

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLII) Other payables (Continued)

4. Other payables

Breakdown of other payables by nature

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and margins	1,218,972,367.62	964,121,715.86
Current payments	144,617,717.75	314,829,882.38
Acquisition of fixed assets	12,465,727.73	166,232,517.61
Public facility maintenance funds	9,962,174.48	10,259,908.85
Others	575,809,736.08	218,973,923.27
Total	1,961,827,723.66	1,674,417,947.97

Other payables by aging

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,080,149,946.43	966,215,927.08
1 to 2 years	350,594,625.00	563,444,297.32
2 to 3 years	389,394,467.00	114,782,518.69
Over 3 years	141,688,685.23	29,975,204.88
Total	1,961,827,723.66	1,674,417,947.97

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLII) Other payables (Continued)

4. Other payables (Continued)

Major other payables aged over one year:

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the total of the top five other accounts payable aged over one year amounted to RMB263,102,345.35.

As at 31 December 2023, the total of the top five other accounts payable aged over one year amounted to RMB180,234,844.71.

(XLIII) Liabilities held for sale

☐ Applicable ☒ Not Applicable

(XLIV) Non-current liabilities due within one year

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	115,086,072.85	341,991,400.00
Long-term payables due within one year	38,756,176.27	39,821,474.75
Lease liabilities due within one year	35,707,002.20	56,758,805.46
Total	189,549,251.32	438,571,680.21

Note: Please see the note "VII. (XLVI)" for details of long-term borrowings, the note "VII. (XLVIII)" for details of lease liabilities, and the note "VII. (XLIX)" for details of long-term payables.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLV) Other current liabilities

Other current liabilities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	929,649,130.96	800,656,478.85
Estimated liabilities due within one year	26,285,388.08	26,247,747.82
Total	955,934,519.04	826,904,226.67

Note: Please see the note "VII. (LI)" for details of the estimated liabilities.

Increase or decrease in short-term bonds payable:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVI) Long-term borrowings

1. Breakdown of long-term borrowings

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Balance	3,449,056,542.05	3,321,933,469.48
Pledged borrowings	3,037,783,923.00	3,194,933,469.48
Mortgage loan	179,136,035.72	–
Credit borrowings	232,136,583.33	127,000,000.00
Less: Long-term borrowings due within one year	115,086,072.85	341,991,400.00
Pledged borrowings	114,780,000.00	341,991,400.00
Mortgage loan	169,489.52	–
Credit borrowings	136,583.33	–
Long-term borrowings due within one year	3,333,970,469.20	2,979,942,069.48
Pledged borrowings	2,923,003,923.00	2,852,942,069.48
Mortgage loan	178,966,546.20	–
Credit borrowings	232,000,000.00	127,000,000.00
Total	3,333,970,469.20	2,979,942,069.48

Classification of long-term borrowings:

- As of 31 December 2024, the Company pledged other non-current assets amounting to RMB4,915,049,570.76 formed from the revenue rights of franchise operations and all income thereunder, as well as accounts receivable of RMB680,198,573.12 (as of 31 December 2023: other non-current assets of RMB4,957,337,547.83 and accounts receivable of RMB634,223,818.22) to secure a long-term borrowing of RMB3,037,783,923.00 (as of 31 December 2023: RMB3,194,933,469.48); of which RMB114,780,000.00 is due within one year.
- As at 31 December 2024, the Company's credit borrowings amounted to RMB82,000,000.00 were the credit borrowings from the Bank of Chengdu that were guaranteed by the Company's third-tier subsidiary First Construction for its subsidiary Yibin Tonghao Hongshun Project Management Co., Ltd..
- The above bank borrowings (including short-term borrowings) are made with variable annual interest rates ranging from 2.95% to 5.39% (31 December 2023: 1.95% to 5.39%).

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVI) Long-term borrowings (Continued)

1. Breakdown of long-term borrowings (Continued)

Classification of long-term borrowings: (Continued)

(4) For the details of long-term borrowings due within one year, please see Note "VII. (XLIV)".

(5) As at 31 December 2024, the long-term borrowing balance due within one to two years was RMB111,500,000.00, the long-term borrowing balance due within two to five years was RMB333,000,000.00, and the long-term borrowing balance due over five years was RMB2,889,470,469.20. (As at 31 December 2023, the long-term borrowing balance due within one to two years was RMB28,000,000.00, the long-term borrowing balance due within two to five years was RMB363,000,000.00, and the long-term borrowing balance due over five years was RMB2,588,942,069.48.)

Other explanation

☐ Applicable ☒ Not Applicable

(XLVII) Bonds payable

1. Bonds payable

☐ Applicable ☒ Not Applicable

2. Increase or decrease in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)

☐ Applicable ☒ Not Applicable

3. Explanation about convertible corporate bonds

☐ Applicable ☒ Not Applicable

Accounting treatment and judgment basis for conversion into equities

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVII) Bonds payable (Continued)

4. *Explanation about other financial instruments classified as financial liabilities*

Basic information on preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☐ Applicable ☒ Not Applicable

Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☐ Applicable ☒ Not Applicable

Explanation about basis for classifying other financial instruments as financial liabilities:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLVIII) Lease liabilities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	114,100,369.54	131,220,810.13
Reclassified as non-current liabilities due within one year	35,707,002.20	56,758,805.46
Total	78,393,367.34	74,462,004.67

Item	Closing balance	Opening balance
Opening balance for the year	131,220,810.13	177,874,906.78
Increase for the year	71,277,798.58	35,900,438.15
Interest expense	5,637,242.60	7,046,965.35
Lease payments for the year	-89,732,245.17	-89,760,656.92
Modification of lease for the year	-4,303,236.60	159,156.77
Closing balance for the year	114,100,369.54	131,220,810.13

Note: For the details of lease liabilities due within one year, please see Note "VII (XLIV)".

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIX) Long-term payables

Presentation of item

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	45,383,366.45	53,338,192.06
Special payables	—	—
Total	45,383,366.45	53,338,192.06

Other explanation:

☐ Applicable ☒ Not Applicable

Long-term payables

1. Breakdown of long-term payables by nature

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction quality guarantee deposits	84,139,542.72	93,159,666.81
Less: Long-term payables due within one year	38,756,176.27	39,821,474.75
Total	45,383,366.45	53,338,192.06

Note: For the details of long-term payables due within one year, please see Note "VII (XLIV)"

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XLIX) Long-term payables (Continued)

Special payables

1. Breakdown of special payables by nature

☐ Applicable ☒ Not Applicable

(L) Long-term employee benefits payable

☒ Applicable ☐ Not Applicable

1. *Statement on long-term employee benefits payable*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Po st-employment benefits – Net liabilities under defined benefit plans	606,086,000.00	535,949,000.00
Dismissal benefits	6,785,000.00	8,609,000.00
Subtotal	612,871,000.00	544,558,000.00
Less: Remunerations payable within one year	37,241,000.00	36,607,000.00
Total	575,630,000.00	507,951,000.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(L) Long-term employee benefits payable (Continued)

2. Changes in defined benefit plans

Present value of obligations under defined benefit plans:

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
I. Opening balance	544,558,000.00	543,452,000.00
II. The defined benefit cost included in the current profit and loss	13,636,000.00	12,584,000.00
1. Current service costs	—	-1,000.00
2. Past service costs	—	—
3. Settlement gains (losses indicated by "-")	-805,000.00	-3,069,000.00
4. Net interests	14,441,000.00	15,654,000.00
III. The defined benefits cost included in other comprehensive income	89,375,000.00	26,068,000.00
1. Actuarial gains (losses indicated by "-")	89,375,000.00	26,068,000.00
2. Others	—	—
IV. Other changes	-34,698,000.00	-37,546,000.00
1. Consideration paid at settlement	—	—
2. Benefits paid	-34,698,000.00	-37,546,000.00
V. Closing balance	612,871,000.00	544,558,000.00
Less: Amount due within one year	37,241,000.00	36,607,000.00
VI. Amount due after one year	575,630,000.00	507,951,000.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(L) Long-term employee benefits payable (Continued)

2. Changes in defined benefit plans (Continued)

Plan assets:

☐ Applicable ☒ Not Applicable

Net liabilities (net assets) under defined benefit plans

☐ Applicable ☒ Not Applicable

Explanation about impacts of the details of the defined benefit plan and its associated risks on the Company's future cash flow, timing, and uncertainty:

☐ Applicable ☒ Not Applicable

Note: The Company pays supplementary retirement benefits for its employees in Mainland China who retired on and before 31 December 2012 in addition to the contributions made to statutory insurance plans. Such supplementary retirement benefits are defined benefit plans. These plans include monthly pension benefits, medical reimbursement benefits, annual medical insurance premiums, and funeral benefits for employees who are retired. The Company's obligations in respect of supplementary retirement benefits are determined by estimating the amount of obligations that the Company is committed to paying to the employees after their retirement using actuarial techniques. The amount of the subsidy is determined based on the period during which the employee serves the Company and the relevant subsidy and welfare policy.

Some employees of the Company have gone through internal retirement. The internal retirement payables are accrued in the relevant legal entities within the Company during the period in which the Company has entered into relevant agreements/documents with relevant employees or informing individual employees of the specific internal retirement terms.

The specific terms of internal retirement vary depending on factors such as the position of the relevant employee, length of service and the region of service.

The plan is subject to interest rate risk, risk of changes in life expectancy of pension beneficiaries, and stock market risks.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(L) Long-term employee benefits payable (Continued)

2. Changes in defined benefit plans (Continued)

Plan assets: (Continued)

Such supplementary retirement benefits are discounted with the discount rate which determined by referring to the yield rate of the PRC treasury bonds with the maturity date similar to the period of the obligations assumed by the Company at the end of the Reporting Period. The service cost and net interest income and expenditures from the supplementary retirement benefits are recorded in the profit or loss for the current period when incurred, while the changes in liabilities from the remeasurement of supplementary retirement benefits are recorded in other comprehensive income. No planned asset has been established for the defined benefit plan by the Company as at 31 December 2024 and 31 December 2023. The actuarial method and key assumption adopted for the calculation of the Company's supplementary retirement benefits and internal retirement payables in each year/period are as follows:

Name of the independent actuary: Towers Watson Consulting (Shenzhen) Co., Ltd. (韜睿惠悅管理諮詢(深圳)有限公司), Wu Haichuan;

Qualifications: Member of the Society of Actuaries, member of the American Academy of Actuaries, fellow of China Association of Actuaries and Chartered Enterprise Risk Analyst;

Actuarial method: The Company has adopted expected accumulated benefit unit method in its annual actuarial valuation, and the rolling method in its interim actuarial valuation;

Key assumption: The annual growth rate of average medical costs, the annual growth rate of unreimbursed funeral costs, the annual growth rate of supplementary pension benefits for retired personnel, the annual growth rate of testament grant benefits, the annual growth rate of benefits for internal retired personnel and the death rate remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(L) Long-term employee benefits payable (Continued)

2. Changes in defined benefit plans (Continued)

Plan assets: (Continued)

The following table shows the main actuarial assumptions used on the balance sheet date:

Item	Current period	Preceding period
Discount rate	1.25%	2.75%
Average mortality rate of residents in Mainland China		Average mortality rate of residents in Mainland China
Mortality rate	15	15
Average life expectancy		
Annual growth rate of average medical expenses	8.00%	8.00%
Growth rate of supplementary pension benefits for retired personnel	3.00%	3.00%
Annual growth rate of benefits for internal retired personnel	4.50%	4.50%

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(L) Long-term employee benefits payable (Continued)

2. Changes in defined benefit plans (Continued)

Explanation on the material actuarial assumptions and sensitivity analysis results of defined benefit plans

☒ Applicable ☐ Not Applicable

The following table provides a quantitative sensitivity analysis on the key assumptions used:

Item	Increase (%)	(Decrease)/ increase in obligations under defined benefit plans	Decrease (%)	Increase/ (decrease) in obligations under defined benefit plans
Discount rate	0.25	-17,625,000.00	0.25	18,494,000.00
Annual growth rate of average medical expenses	1.00	36,358,000.00	1.00	-30,409,000.00

The above sensitivity analysis is to infer the impact of reasonable change occurring to the key assumptions on the balance sheet date on the obligations under the defined benefit plans. Sensitivity analysis is made on the basis of changes in significant assumptions while other assumptions remain unchanged. Since changes in assumptions are often not isolated from each other, sensitivity analysis might not represent actual changes in the obligations under defined benefit plans.

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LI) Estimated liabilities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Cause of formation
Pending litigation	781,815.91	—	
Product quality guarantee	53,469,818.87	43,062,970.78	/
Pending onerous contracts	—	10,112,537.79	/
Others	45,871.90	186,195.44	/
Subtotal	54,297,506.68	53,361,704.01	
Less: Estimated liabilities due within one year	26,285,388.08	26,247,747.82	/
Total	28,012,118.60	27,113,956.19	/

2024

Unit: Yuan Currency: RMB

	2024	2024	2024	2024
	Pending litigation	Product quality guarantee (Note)	Pending onerous contracts and others	Total
Opening balance	—	43,062,970.78	10,298,733.23	53,361,704.01
Increase in this year	781,815.91	75,265,883.44	254,438.10	76,302,137.45
Reversal in this year	—	—	—	—
Used in this year	—	-64,859,035.35	-10,507,299.43	-75,366,334.78
Closing balance	781,815.91	53,469,818.87	45,871.90	54,297,506.68
Including: Estimated liabilities due within one year	—	26,239,516.18	45,871.90	26,285,388.08
Including: Estimated liabilities due within one year	781,815.91	27,230,302.69	—	28,012,118.60

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LI) Estimated liabilities (Continued)

2023

Unit: Yuan Currency: RMB

	2023	2023	2023
	Product quality guarantee (Note)	Pending onerous contracts and others	Total
Opening balance	42,272,884.54	10,112,537.79	52,385,422.33
Increase in this year	49,036,908.88	186,195.44	49,223,104.32
Reversal in this year	-8,535,717.42	–	-8,535,717.42
Used in this year	-39,711,105.22	–	-39,711,105.22
Closing balance	43,062,970.78	10,298,733.23	53,361,704.01
Including: Estimated liabilities due within one year	<u>26,061,552.38</u>	<u>186,195.44</u>	<u>26,247,747.82</u>
Including: Estimated liabilities due within one year	<u>17,001,418.40</u>	<u>10,112,537.79</u>	<u>27,113,956.19</u>

Notes:

- For the details of estimated liabilities due within one year, please see Note "VII XLV)".
- The Company estimates the quality guarantee deposits according to the sales revenue and the estimated warranty rate taking into account the different stages of the product life cycle of different products. The estimated rate of warranty occurrence is based on the historical experience data of the actual occurrence of warranty for the same type of products, and may be estimated according to significant changes due to the different stages of product life cycle of different products and similar products. As at the balance sheet date, the quality guarantee deposits that the Company expects to incur in the future under the above method shall be included into the profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LII) Deferred income

Deferred income situation

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Cause of formation
1. Government grants related to assets	63,069,884.68	—	2,104,364.81	60,965,519.87	/
2. Government grants related to income	110,720,781.34	105,066,865.84	156,617,694.12	59,169,953.06	/
Total	173,790,666.02	105,066,865.84	158,722,058.93	120,135,472.93	/

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Cause of formation
1. Government grants related to assets	68,208,015.18	50,000.00	5,188,130.50	63,069,884.68	/
2. Government grants related to income	146,809,578.28	85,452,519.10	121,541,316.04	110,720,781.34	/
Total	215,017,593.46	85,502,519.10	126,729,446.54	173,790,666.02	/

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LIII) Other non-current liabilities

☐ Applicable ☒ Not Applicable

(LIV) Share capital

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

	Increase/decrease for the period (+/-)					Closing balance
	Opening balance	New issue	Bonus issue	Capital increase by capital surplus	Others	
Total	10,589,819,000.00	-	-	-	-	10,589,819,000.00

2023

Unit: Yuan Currency: RMB

	Increase/decrease for the period (+/-)					Closing balance
	Opening balance	New issue	Bonus issue	Capital increase by capital surplus	Others	
Total	10,589,819,000.00	-	-	-	-	10,589,819,000.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LV) Other equity instruments

1. Basic information on preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Outstanding financial instruments	Issue date	Accounting classification	Dividend	Issue price	Number	Amount	Expense	Carrying amount	Expiry date	Condition of conversion	Transformation status
			rate or interest rate						or renewal status		
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 1)	6 December 2024 – 9 December 2024	Perpetual bond	2.20%	100.00	15,000,000	1,500,000,000.00	-1,158,000.00	1,500,000,000.00	Unexpired	None	No
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 2)	6 December 2024 – 9 December 2024	Perpetual bond	2.40%	100.00	10,000,000	1,000,000,000.00	-772,000.00	1,000,000,000.00	Unexpired	None	No

2023

Unit: Yuan Currency: RMB

Outstanding financial instruments	Issue date	Accounting classification	Dividend rate or		Issue price	Number	Amount	Expense	Carrying amount	Expiry date or renewal status	Condition of conversion	Transformation status
			interest rate									
2021 First Tranche of Medium-term Notes of China Railway Signal & Communication Corporation Limited	15 December 2021	Perpetual bond	3.32%	100.00	28,000,000	2,800,000,000.00	-3,064,339.62	2,796,935,660.38	Unexpired	None	No	

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LV) Other equity instruments (Continued)

2. Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
Outstanding financial instruments								
2021 First Medium-Term Note of China Railway Signal & Communication Corporation Limited	28,000,000	2,796,935,660.38	-	-	28,000,000	2,796,935,660.38	-	-
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 1)	-	-	15,000,000	1,500,000,000.00	-	-	15,000,000	1,500,000,000.00
China Railway Signal & Communication Corporation 2024 First Renewable Corporate Bond (Type 2)	-	-	10,000,000	1,000,000,000.00	-	-	10,000,000	1,000,000,000.00
Total	28,000,000	2,796,935,660.38	25,000,000	2,500,000,000.00	28,000,000	2,796,935,660.38	25,000,000	2,500,000,000.00

2023

Unit: Yuan Currency: RMB

	Beginning of the period		Increase during the period		Decrease during the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
Outstanding financial instruments								
2021 First Tranche of Medium-term Notes of China Railway Signal & Communication Corporation Limited	28,000,000	2,796,935,660.38	-	-	-	-	28,000,000	2,796,935,660.38
Total	28,000,000	2,796,935,660.38	-	-	-	-	28,000,000	2,796,935,660.38

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LV) Other equity instruments (Continued)

Increase/decrease of other equity instruments in the period, the reasons thereof and the basis for related accounting treatment:

☐ Applicable ☒ Not Applicable

Other explanation:

☒ Applicable ☐ Not Applicable

The Company issued 2021 First Tranche of Medium-term Notes of China Railway Signal & Communication Corporation Limited in the amount of RMB2,800,000,000.00 on 15 December 2021. The net proceeds raised after deducting the underwriting expenses of RMB3,064,339.62 for the Medium-term Notes was RMB2,796,935,660.38. The Company recorded the Medium-term Notes with its net proceeds from the issuance net off underwriting expenses and included it in other equity instruments. The initial investment period is 3 years, and the interest rate of the initial investment period is fixed at 3.32%. The Company has the option to defer the interest payment. After the expiration, the Company has the option to renew; the reset rate during the renewal period jumped 300 basis points based on the annual interest rate applicable to the previous investment period.

The Company issued the first tranche of China Railway Signal & Communication Corporation Limited's 2024 Mid-term notes from 6 December 2024 to 9 December 2024, with an issue amount of RMB1,500,000,000.00 and RMB1,000,000,000.00 respectively, an issue fee of RMB4,994,339.62, and a raised sum of RMB2,500,000,000.00. The company will record this mid-term note in its accounts at the amount of the issue proceeds and include it in other equity instruments. The initial investment periods of the mid-term notes are 5 and 10 years, and the interest rates for the initial investment periods are 2.2% and 2.4% respectively. The Company has the right to choose to defer interest payments, and after maturity, the Company has the right to choose to renew; the interest rate for the renewal period will be reset at 300 basis points above the annual interest rate applicable to the previous investment period.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVI) Capital reserve

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during	Decrease during	Closing balance
Capital premium	15,538,873,267.94	604,434.22	4,994,339.62	15,534,483,362.54
Fiscal appropriation	8,670,000.00	—	—	8,670,000.00
Acquisition of minority interest of subsidiaries	9,240,638.86	—	—	9,240,638.86
Adjustment on long-term equity under interest method	735,248.35	-54,570.07	—	680,678.28
Others	406,663,539.95	—	—	406,663,539.95
Total	15,964,182,695.10	549,864.15	4,994,339.62	15,959,738,219.63

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVI) Capital reserve (Continued)

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during	Decrease during	Closing balance
Capital premium	15,538,873,267.94	–	–	15,538,873,267.94
Fiscal appropriation	8,670,000.00	–	–	8,670,000.00
Acquisition of minority interest of subsidiaries	9,240,638.86	–	–	9,240,638.86
Adjustment on long-term equity under interest method	620,651.14	114,597.21	–	735,248.35
Others	406,663,539.95	–	–	406,663,539.95
Total	15,964,068,097.89	114,597.21	–	15,964,182,695.10

(LVII) Treasury stocks

☐ Applicable ☒ Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVIII) Other comprehensive income

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Amount before income tax during the period	Amount for the period					Closing balance
		Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained earnings from other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to the minority shareholders after tax	
Opening balance							
I. Other comprehensive income not reclassified into profit or loss	-218,701,865.94	-	-	-2,686,619.98	-97,434,859.93	-	-316,136,725.87
Including: Changes of the re-measurement of the defined benefit plan	-232,724,000.00	-	-	-	-89,375,000.00	-	-322,099,000.00
Changes in fair value of other equity instrument investments	14,022,134.06	-	-	-2,686,619.98	-8,059,859.93	-	5,962,274.13
II. Other comprehensive income reclassified to profit or loss	15,216,176.59	-	-	-	887,199.15	-10,595.88	16,103,375.74
Including: Other comprehensive income transferable to profit or loss under the equity method	-	-	-	-	-	-	-
Provision for credit impairment on other debt investments	-	-	-	-	-	-	-
Hedging reserve arising from cash flows	7,628,193.82	-	-	-	456,607.80	-	8,084,801.62
Differences on translation of foreign currency financial statements	1,416,920.24	-	-	-	884,487.18	-	2,301,407.42
Changes in fair value of receivables for financing	6,171,062.53	-	-	-	-453,895.83	-10,595.88	5,717,166.70
Total other comprehensive income	-203,485,689.35	-	-	-2,686,619.98	-96,547,660.78	-10,595.88	-300,033,350.13

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LVIII) Other comprehensive income (Continued)

2023

Unit: Yuan Currency: RMB									
Item	Amount for the period							Other changes	Closing balance
	Opening balance	Amount before income tax during the period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Income tax expenses	Amount attributable to the parent company after tax	Amount attributable to the minority shareholders after tax	Less: Amount transferred to retained earnings from other comprehensive income		
I. Other comprehensive income not reclassified into profit or loss	-206,656,000.00	-7,371,821.26	-	4,674,044.68	-12,045,865.94	-	-	-	-218,701,865.94
Including: Changes of the re-measurement of the defined benefit plan	-206,656,000.00	-26,068,000.00	-	-	-26,068,000.00	-	-	-	-232,724,000.00
Changes in fair value of other equity instrument investments	-	18,696,178.74	-	4,674,044.68	14,022,134.06	-	-	-	14,022,134.06
II. Other comprehensive income reclassified to profit or loss	7,811,522.58	7,190,386.47	-	-	7,406,019.01	-215,632.54	-	-1,365.00	15,216,176.59
Hedging reserve arising from cash flows	3,344,198.46	4,283,995.36	-	-	4,283,995.36	-	-	-	7,628,193.82
Differences on translation of foreign currency financial statements	892,478.21	524,442.03	-	-	524,442.03	-	-	-	1,416,920.24
Changes in fair value of receivables for financing	3,574,845.91	2,381,949.08	-	-	2,597,581.62	-215,632.54	-	-1,365.00	6,171,062.53
Total other comprehensive income	-198,844,477.42	-181,434.79	-	4,674,044.68	-4,639,846.93	-215,632.54	-	-1,365.00	-203,485,689.35

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LIX) Special reserve

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during	Decrease during	Closing balance
Safety production expenses	<u>299,764,318.80</u>	<u>358,241,749.12</u>	<u>309,234,516.74</u>	<u>348,771,551.18</u>
Total	<u>299,764,318.80</u>	<u>358,241,749.12</u>	<u>309,234,516.74</u>	<u>348,771,551.18</u>

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during	Decrease during	Closing balance
Safety production expenses	<u>343,494,199.17</u>	<u>324,865,103.50</u>	<u>368,594,983.87</u>	<u>299,764,318.80</u>
Total	<u>343,494,199.17</u>	<u>324,865,103.50</u>	<u>368,594,983.87</u>	<u>299,764,318.80</u>

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LX) Surplus reserve

☒ Applicable ☐ Not Applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during	Decrease during	Closing balance
Statutory surplus reserve	<u>2,280,998,087.60</u>	<u>201,498,558.68</u>	<u>—</u>	<u>2,482,496,646.28</u>
Total	<u>2,280,998,087.60</u>	<u>201,498,558.68</u>	<u>—</u>	<u>2,482,496,646.28</u>

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during	Decrease during	Closing balance
Statutory surplus reserve	<u>2,042,968,810.17</u>	<u>238,029,277.43</u>	<u>—</u>	<u>2,280,998,087.60</u>
Total	<u>2,042,968,810.17</u>	<u>238,029,277.43</u>	<u>—</u>	<u>2,280,998,087.60</u>

Explanation of surplus reserve, including changes during the period and reasons for the changes:

1. According to the Company Law and the Articles of Association of the Company, the Company shall withdraw statutory surplus reserve fund at 10% of its net profit. If the accumulative amount of the statutory surplus reserve is more than 50% of the Company's registered capital, the statutory surplus reserve fund shall no longer be withdrawn.
2. After the Company withdraws the statutory surplus reserve fund, it can withdraw discretionary surplus reserve fund. Upon approval, the discretionary surplus reserve can be used to make up for losses of the preceding year or increase share capital.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXI) Retained earnings

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Current period	Last period
Retained earnings at the end of last period before adjustment	15,044,440,040.06	13,785,475,907.76
Total amount of retained earnings at the beginning of the adjustment period (increase +, decrease -)	—	—
Retained earnings at the beginning of the period after adjustment	15,044,440,040.06	13,785,475,907.76
Add: Net profits attributable to owners of the parent during the current period	3,494,725,837.36	3,477,326,647.54
Less: Appropriation to statutory surplus reserve	201,498,558.68	238,029,277.43
Appropriation to discretionary surplus reserve	—	—
Accrual of general risk reserves	62,098,285.67	39,397,794.27
Dividend payables of ordinary shares	1,800,269,230.00	1,800,269,230.00
Dividend of ordinary shares converted into share capital	—	—
Other decrease	132,580,574.00	140,666,213.54
Retained earnings at the end of the period	16,342,719,229.07	15,044,440,040.06

- (1) Pursuant to the resolution of the Company's 2024 annual general meeting, the Company declared a dividend in respect of the remaining distributable profits for the year ended 31 December 2023 on March 26, 2024 of RMB0.17 cash dividend per share (inclusive of tax), totaling RMB1,800,269,230.00 (FY2023: Pursuant to the resolution of the 2022 annual general meeting of the Company, the Company declared a dividend in respect of the remaining distributable profits for the year ended 31 December 2022 of RMB0.17 cash dividend per share (inclusive of tax) totaling RMB1,800,269,230.00 on June 9, 2023.)
- (2) Appropriation to employee reward and welfare fund for the current period resulted in a decrease of RMB39,620,574.00 in retained earnings.
- (3) Provision made for general risks during this period results in the decrease of RMB62,098,285.67 in undistributed profits.
- (4) Dividends paid to other equity holders for the current period resulted in a decrease of RMB92,960,000.00 in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXII) Revenue and costs of sales

1. Revenue and costs of sales

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operations	32,147,918,141.62	22,795,516,368.06	36,645,449,808.11	27,373,466,361.32
Other operations	325,115,624.44	189,894,058.65	356,779,630.78	147,886,306.38
Total	32,473,033,766.06	22,985,410,426.71	37,002,229,438.89	27,521,352,667.70

2. Revenue generated from contracts

Unit: Yuan Currency: RMB

Categories	Rail transportation control system	Construction contracting	Others	Total
By region of operation:				
China	27,110,420,839.62	2,689,055,714.68	232,187,835.99	30,031,664,390.29
Other countries and regions	2,441,369,375.77	–	–	2,441,369,375.77
Total	29,551,790,215.39	2,689,055,714.68	232,187,835.99	32,473,033,766.06
By time of transfer of goods:				
Revenue recognised at a certain point of time	6,602,976,539.18	–	232,187,835.99	6,835,164,375.17
Revenue recognised within a certain period of time	22,948,813,676.21	2,689,055,714.68	–	25,637,869,390.89
Total	29,551,790,215.39	2,689,055,714.68	232,187,835.99	32,473,033,766.06

Typically, the construction contracts or service rendering contracts provided by the Group as a whole constitutes a single performance obligation and is a performance obligation performed within a certain period of time. As of 31 December 2024, some of the Group's construction contracts or service rendering contract are still in the process of performance. The transaction price allocated to the outstanding (or partially outstanding) performance obligations is related to the performance progress of the corresponding construction contract or service rendering contract, and will be recognized as revenue on the basis of the performance progress in the future performance period of the corresponding construction contract or service rendering contract.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXII) Revenue and costs of sales (Continued)

3. Breakdown of revenue and costs of sales

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Rail transportation control system	29,551,790,215.39	20,542,273,264.34	29,261,817,816.79	20,602,654,363.73
Equipment manufacturing	6,602,976,539.18	4,162,381,332.66	6,112,524,125.68	3,983,966,043.43
System implementation	10,694,349,946.39	8,964,483,016.57	11,425,379,927.13	9,546,644,637.71
Design and integration	12,254,463,729.82	7,415,408,915.11	11,723,913,763.98	7,072,043,682.59
Construction contracting	2,689,055,714.68	2,366,850,330.61	7,673,647,905.68	6,897,575,863.26
Others	232,187,835.99	76,286,831.76	66,763,716.42	21,122,440.71
Total	32,473,033,766.06	22,985,410,426.71	37,002,229,438.89	27,521,352,667.70

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXII) Revenue and costs of sales (Continued)

4. Details of performance obligation

☒ Applicable ☐ Not Applicable

The Company recognizes the income when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related assets (goods or services). Whether a performance obligation is fulfilled within a time period or at a point in time depends on the terms of the contract and relevant laws and regulations. If the Company meets one of the following conditions, the performance obligation is fulfilled within a certain period of time:

- (1) The customer obtains and consumes the economic benefits brought by the Company's performance while the Company is performing the contract.
- (2) The customer can control the assets under construction during the Company's performance.
- (3) The assets produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to receive payment for the accumulated performance of the contract so far throughout the contract period.

If the performance obligation is fulfilled within a certain period of time, the Company recognizes revenue in accordance with the progress of performance. Otherwise, the Company recognizes revenue at the point at which the customer obtains control of the underlying assets. The progress of performance is determined based on the value to the customer of the commodities transferred to the customer.

5. Explanation about allocation to the remaining performance obligations

☒ Applicable ☐ Not Applicable

Typically, the construction contracts or service rendering contracts provided by the Company as a whole constitutes a single performance obligation and is a performance obligation performed within a certain period of time. As of 31 December 2024, some of the Company's construction contracts or service rendering contract are still in the process of performance. The transaction price allocated to the outstanding (or partially outstanding) performance obligations is related to the performance progress of the corresponding construction contract or service rendering contract, and will be recognized as revenue on the basis of the performance progress in the future performance period of the corresponding construction contract or service rendering contract.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXII) Revenue and costs of sales (Continued)

6. Changes in significant contracts or price adjustments of significant transactions

☐ Applicable ☒ Not Applicable

(LXIII) Taxes and surcharges

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Urban maintenance and construction tax	91,170,446.48	77,648,704.58
Educational surcharge	67,759,509.34	58,121,267.73
Property tax	71,268,906.95	66,925,227.00
Stamp duty	33,388,312.09	40,108,235.40
Urban land use tax	13,965,288.53	11,744,375.49
Others	4,297,896.54	2,143,176.70
Total	281,850,359.93	256,690,986.90

(LXIV) Selling and distribution expenses

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Employee benefits	550,416,163.45	538,045,287.60
Sales service expenses	169,768,791.52	170,854,817.11
Tendering expenses	57,653,891.44	69,631,807.85
Office and rental expenses	35,687,509.65	41,209,194.88
Depreciation and amortization expenses	8,821,220.81	4,232,723.36
Others	29,230,777.14	20,021,749.66
Total	851,578,354.01	843,995,580.46

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXV) General and administrative expenses

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Employee benefits	1,547,512,440.97	1,497,846,768.14
Safety production expenses	117,597,209.11	161,433,435.75
Depreciation and amortization expenses	249,825,729.17	268,901,645.05
Office and rental expenses	226,112,298.87	211,461,810.37
Travel costs and business entertainment expenses	64,252,828.41	66,841,876.57
Others	183,614,912.45	129,348,600.47
Total	2,388,915,418.98	2,335,834,136.35

Note: The audit fees of the Group for the year was RMB6,650,000.00 (2023: RMB6,360,000.00).

(LXVI) Research and development expenses

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Labor expenses	1,129,947,726.89	1,041,058,607.64
Materials expenses	153,934,404.18	164,352,568.91
Testing and processing expenses	131,084,259.65	196,093,275.56
Depreciation and amortization expenses	178,979,611.73	165,437,906.18
Administrative expenses	21,331,998.42	27,891,869.57
Travel costs	42,435,634.38	39,428,420.33
Others	254,659,544.04	228,024,113.62
Total	1,912,373,179.29	1,862,286,761.81

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXVII) Finance costs

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Interest expense	38,126,835.89	75,965,079.18
Less: Interest income	306,805,350.71	422,427,842.34
Exchange loss	-17,621,876.09	-7,953,654.54
Financial institutions commissions	49,893,539.38	54,189,570.07
Total	-236,406,851.53	-300,226,847.63

(LXVIII) Other income

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

By nature	Amount for the current period	Amount for the previous period
Government grants	387,921,128.94	385,603,677.03
Additional deduction of input tax	25,996,043.21	23,200,318.61
Withholding of personal income tax fees	3,595,927.60	1,843,472.78
VAT directly exempted	61,507.90	—
Government grants	200,000.00	—
Total	417,774,607.65	410,647,468.42

Government grants recognized as other income

Item	Amount for the current period	Amount for the previous period
Government grants related to assets	297,395.08	3,381,160.78
Other grants	297,395.08	3,381,160.78
Government grants related to income	387,623,733.86	382,222,516.25
Refund of taxes	170,740,190.68	166,307,178.35
Other grants	216,883,543.18	215,915,337.90
Total	387,921,128.94	385,603,677.03

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXIX) Investment income

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Income from long-term equity investments under the equity method	115,630,269.91	119,041,378.77
Investment income from disposal of long-term equity investments	-99,529.00	21,052,806.91
Dividend income from debt investments during the holding period	11,364,993.67	11,364,993.67
Realized gain (loss) from ineffective portion of cash flow hedges	-213,267.94	1,050,831.88
Investment income generated from debt restructuring	2,147,193.67	291,104.07
Others	-246,636.61	-7,794,585.24
Total	128,583,023.70	145,006,530.06

(LXX) Gains on net exposure hedges

☐ Applicable ☒ Not Applicable

(LXXI) Gains on changes in fair value

☐ Applicable ☒ Not Applicable

(LXXII) Credit impairment losses

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Losses from bad debts	324,105,898.50	445,966,775.20
Total	324,105,898.50	445,966,775.20

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXIII) Losses from impairment of assets

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Impairment losses	22,109,209.59	15,597,119.37
Total	22,109,209.59	15,597,119.37

(LXXIV) Gains on disposal of assets

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Gains on disposal of fixed assets	38,320,616.09	63,696.54	38,320,616.09
Gains on disposal of intangible assets	697,239.97	—	697,239.97
Gains on disposal of other assets	3,180,895.64	—	3,180,895.64
Total	42,198,751.70	63,696.54	42,198,751.70

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXV) Non-operating income

Information about non-operating income

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Income from damage and scrapping of non-current assets	94,334.24	589,821.21	94,334.24
Government grants	1,984,344.98	4,598,052.02	1,984,344.98
Compensation payments	4,235,469.93	8,478,739.59	4,235,469.93
Accounts payable	33,686,439.31	15,508,021.91	33,686,439.31
Others	15,835,681.54	9,957,268.76	15,835,681.54
Total	55,836,270.00	39,131,903.49	55,836,270.00

Other explanation:

☐ Applicable ☒ Not Applicable

(LXXVI) Non-operating expenses

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Losses from disposal of non-current assets	160,630.07	666,026.72	160,630.07
External donation	566,958.45	664,700.00	566,958.45
Lawsuit compensation	2,538,981.31	512,839.73	2,538,981.31
Others	9,276,698.46	7,844,498.59	9,276,698.46
Total	12,543,268.29	9,688,065.04	12,543,268.29

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXVII) Income tax expenses

1. Table for income tax expenses

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Current income tax expenses	725,445,666.17	773,383,599.89
Deferred income tax expenses	-63,608,758.02	-97,932,680.35
Total	661,836,908.15	675,450,919.54

2. Adjustment process for accounting profit and income tax

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period
Total profit	4,730,781,456.12
Income tax at the statutory/applicable income tax rate	1,182,695,364.03
Effect of different tax rates for subsidiaries	-385,895,723.08
Effect of adjustment on the income tax prevailing in previous period	-46,503,813.27
Effect of non-taxable income	—
Effect of non-deductible cost, expenses and loss	38,799,932.59
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	-170,553.03
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in the current period	51,803,968.94
Profit and loss attributable to joint ventures and associates	-28,460,266.28
Tax effect of additional deductions	-145,972,037.64
Others	-4,459,964.11
Income tax expenses	661,836,908.15

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXVII) Income tax expenses (Continued)

2. Adjustment process for accounting profit and income tax (Continued)

Other explanation:

☒ Applicable ☐ Not Applicable

Notes: The Group's income tax has been provided at the applicable rate on the estimated profits assessable arising in the PRC during the period. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Share of tax attributable to joint ventures and associates in 2024 was RMB28,460,266.28 (2023: RMB29,546,590.71).

(LXXVIII) Earnings per share

1. Basic earnings per share

Basic earnings per share are calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding of the Company.

Item	Amount for the current period	Amount for the previous period
Consolidated net profit attributable to the ordinary shareholders of the parent company	3,494,725,837.36	3,477,326,647.54
Less: Dividend distribution on other equity instruments for the year	92,960,000.00	92,960,000.00
Adjusted consolidated net profit attributable to the ordinary shareholders of the parent company	3,401,765,837.36	3,384,366,647.54
Weighted average number of ordinary shares outstanding of the Company	10,589,819,000.00	10,589,819,000.00
Basic earnings per share	0.32	0.32
Including: Basic earnings per share from continuing operations	0.32	0.32
Basic earnings per share from discontinued operations	—	—

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXVIII) Earnings per share (Continued)

2. Diluted earnings per share

Diluted earnings per share are calculated by dividing the consolidated net profit (diluted) attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding (diluted) of the Company.

Item	Amount for the current period	Amount for the previous period
Diluted consolidated net profit attributable to the ordinary shareholders of the parent company	3,494,725,837.36	3,477,326,647.54
Less: Dividends distributed on other equity instruments for the year	92,960,000.00	92,960,000.00
Adjusted diluted consolidated net profit attributable to the ordinary shareholders of the parent company	3,401,765,837.36	3,384,366,647.54
Diluted weighted average number of ordinary shares outstanding of the Company	10,589,819,000.00	10,589,819,000.00
Diluted earnings per share	0.32	0.32
Including: Diluted earnings per share from continuing operations	0.32	0.32
Diluted earnings per share from discontinued operations	—	—

(LXXIX) Supplementary information on the income statement classified by nature of expenses

The operating costs, selling expenses, administrative expenses, and research and development expenses in the income statement are classified by nature as follows:

Item	Amount for the current period	Amount for the previous period
Raw materials and components consumed	14,121,784,860.99	16,358,480,698.59
Subcontracting costs	3,727,366,319.72	5,882,933,626.80
Employee compensation	6,240,639,770.30	5,709,972,241.09
Research expenses	449,511,436.49	501,549,994.93
Depreciation and amortization expenses	755,066,402.93	633,509,639.22
Others	2,843,908,588.56	3,477,022,945.69
Total	28,138,277,378.99	32,563,469,146.32

(LXXX) Other comprehensive income

☒ Applicable ☐ Not Applicable

Please refer to Note VII. (LVIII) for details

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Items in statement of cash flows

1. Cash related to operating activities

Other cash related to operating activities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Income from other businesses	100,145,455.69	230,725,100.26
Government grants	172,950,083.79	182,667,623.26
Interest income	161,428,024.52	299,274,147.11
Others	275,271,025.63	262,524,597.38
Total	709,794,589.63	975,191,468.01

Explanation on other cash received related to operating activities:

None

Other cash paid related to operating activities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Research and development expenses	463,828,080.59	453,741,926.14
Safety production expenses	55,365,005.38	113,760,489.38
Travel and business hospitality expenses	233,644,542.30	268,042,353.35
Others	978,960,555.43	1,324,107,227.00
Total	1,731,798,183.70	2,159,651,995.87

Explanation on other cash paid related to operating activities:

None

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Items in statement of cash flows (Continued)

2. Other cash related to investment activities

Other cash received related to significant investment activities

☐ Applicable ☒ Not Applicable

Other cash paid related to significant investment activities

☐ Applicable ☒ Not Applicable

Other cash received related to investment activities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Impact of business combinations under non-common control	30,382,818.09	—
Interest income	72,145,014.11	17,822,281.29
Disposal of a subsidiary in a previous year	4,185,000.00	—
Total	106,712,832.20	17,822,281.29

Explanation on other cash received related to investment activities:

None

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Items in statement of cash flows (Continued)

2. Other cash related to investment activities (Continued)

Other cash paid related to investment activities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Net cash decreased due to disposal of subsidiaries and other associates	—	332,844.66
Borrowings	267,283,368.00	—
Total	267,283,368.00	332,844.66

Explanation of other cash payments related to investing activities:

None

3. Other cash related to fund-raising activities

Other cash received related to fund-raising activities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Cash received from factoring services	300,000,000.00	100,000,000.00
Issuance of perpetual bond	2,498,070,000.00	—
Total	2,798,070,000.00	100,000,000.00

Explanation on other cash received related to fund-raising activities:

None

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Items in statement of cash flows (Continued)

3. Other cash related to fund-raising activities (Continued)

Other cash payments related to fund-raising activities

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Rental expenses and others	190,618,882.60	145,522,629.63
Repayment of perpetual bond	2,800,000,000.00	—
Total	2,990,618,882.60	145,522,629.63

Explanation on other cash paid related to fund-raising activities:

None

Changes in liabilities due to fund-raising activities

☒ Applicable ☐ Not Applicable

Item	Interests payable	Borrowings	Dividends payable	Lease liabilities
Opening balance	—	5,773,566,616.53	61,102,622.90	131,220,810.13
Dividend distribution	—	—	2,192,303,919.54	—
Distribution to other equity holders	—	—	92,960,000.00	—
Interests accrued	149,640,633.44	—	—	—
Changes in cash flows of fund-raising activities	-149,640,633.44	-1,734,697,568.45	-2,280,102,456.18	-84,618,882.60
Significant cash-free fund-raising activities	—	-446,347,074.20	-54,094,441.80	67,498,442.01
Closing balance	—	3,592,521,973.88	12,169,644.46	114,100,369.54

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXI) Items in statement of cash flows (Continued)

4. Explanation on presenting cash flows in net amount

☐ Applicable ☒ Not Applicable

5. Significant activities not involving current cash receipts and payments but affecting the Company's financial condition or potentially affecting the Company's future cash flows, and the financial impact thereof

☐ Applicable ☒ Not Applicable

(LXXXII) Supplementary information to the statement of cash flows

1. Supplementary information to the statement of cash flows

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Adjustment of net profit to cash flow of operating activities:		
Net profit	4,068,944,547.97	4,014,834,682.22
Add: Credit impairment losses	324,105,898.50	445,966,775.20
Asset impairment provision	22,109,209.59	15,597,119.37
Depreciation of fixed assets, oil and gas assets, productive biological assets	401,838,407.85	403,127,933.27
Amortization of right-of-use assets	68,852,039.23	84,680,760.45
Amortization of intangible assets	232,379,856.37	228,683,105.42
Amortization of long-term prepaid expenses	33,009,034.53	23,609,033.15
Loss from disposal of fixed assets, intangible assets and other long-term assets (income as sign "-")	-42,198,751.70	-63,696.54
Loss from scrap of fixed assets (income as sign "-")	66,295.83	76,205.51
Loss from fair value change (income as sign "-")	—	—
Financial costs (income as sign "-")	-48,842,490.30	-30,170,879.85
Investment loss (income as sign "-")	-128,583,023.70	-145,006,530.06
Decrease in deferred income tax assets (increase as sign "-")	-54,537,459.09	-75,033,147.48

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXII) Supplementary information to the statement of cash flows (Continued)

1. Supplementary information to the statement of cash flows (Continued)

Supplementary information	Amount for the current period	Amount for the previous period
Increase in deferred income tax liabilities (decrease as sign "-")	-9,217,204.89	-22,582,817.84
Decrease in inventories (increase as sign "-")	-247,541,377.61	-835,172,758.89
Decrease in operating receivables (increase as sign "-")	-1,511,957,237.47	-2,539,904,335.53
Increase in operating payables (decrease as sign "-")	2,118,314,919.17	895,304,482.70
Depreciation of investment properties	18,987,064.95	18,476,579.33
Decrease in special reserves	53,618,554.88	-42,761,661.59
Others	-63,219,553.80	-381,626,985.85
Net cash flow generated from operating activities	5,236,128,730.31	2,058,033,862.99
2. Significant investment and financing activities not involving cash receipts and payments:		
Conversion of debt into capital	—	—
Convertible corporate bonds due within one year	—	—
Fixed assets acquired under financing leases	—	—
3. Net change in cash and cash equivalents:		
Ending Balance of Cash	16,405,869,676.39	16,020,112,696.12
Less: opening balance of cash	16,020,112,696.12	17,241,658,431.27
Add: closing balance of cash equivalents	—	—
Less: opening balance of cash equivalents	—	—
Net increase in cash and cash equivalents	385,756,980.27	-1,221,545,735.15

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXII) Supplementary information to the statement of cash flows (Continued)

2. Net cash paid to acquire subsidiaries during the period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid for business combinations during the period	—
Including: Zhengzhou Railway Fulun Construction Engineering Development Co., Ltd.	—
CRCC Zhengzhou Survey & Design Co., Ltd.	—
Less: Cash and cash equivalents held by subsidiaries on the acquisition date	30,382,818.09
Including: Zhengzhou Railway Fulun Construction Engineering Development Co., Ltd.	16,811,275.66
CRCC Zhengzhou Survey & Design Co., Ltd.	13,571,542.43
Add: Cash or cash equivalents paid for business combinations in previous periods but incurred in the current period	—
Including: Zhengzhou Railway Fulun Construction Engineering Development Co., Ltd.	—
CRCC Zhengzhou Survey & Design Co., Ltd.	—
Net cash paid for acquiring subsidiaries	<u>-30,382,818.09</u>

3. Net cash received from disposal of subsidiaries during the period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Amount
Receipt of cash and cash equivalents during the period from disposal of subsidiaries during the period	—
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control	—
Add: Receipt of cash and cash equivalents during the period from disposal of subsidiaries during past period	<u>4,185,000.00</u>
Net cash received from disposal of subsidiaries	<u>4,185,000.00</u>

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXII) Supplementary information to the statement of cash flows (Continued)

4. Composition of cash and cash equivalents

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	16,405,869,676.39	16,020,112,696.12
Including: Cash on hand	278,854.20	455,776.05
Digital currency available for immediate payment	—	—
Bank deposits available for payment	10,849,210,691.15	10,060,264,002.91
Other monetary funds available for payment	3,265,001.29	2,991,640.47
Funds deposited with the central bank that are available for payment	—	—
Deposit from other banks	5,553,115,129.75	5,956,401,276.69
Loans to other banks	—	—
II. Cash equivalents	—	—
Including: Bond investment due within three months	—	—
III. Closing balance of cash and cash equivalents	16,405,869,676.39	16,020,112,696.12
Including: Cash and cash equivalents with restrictions on use by the parent or subsidiaries within the Group	—	—

5. Cash and cash equivalents with restrictions on use

☐ Applicable ☒ Not Applicable

6. Monetary funds not deemed as cash and cash equivalents

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXIII) Notes to items in statement of changes in owner's equity

Explanation of the name of "Others" item that adjusted the closing balance at the end of last year and the amount of adjustment, etc.:

☐ Applicable ☒ Not Applicable

(LXXXIV) Foreign currency monetary items

1. Foreign currency monetary items

☒ Applicable ☐ Not Applicable

Unit: Yuan

Item	Closing balance of foreign currency	Exchange rate	Closing balance in RMB equivalent
Monetary funds	—	—	340,312,186.55
Including: USD	35,703,434.89	7.1884	256,650,571.36
Euro	2,709,327.14	7.5257	20,389,583.26
HK Dollar	4,367,527.51	0.9260	4,044,505.18
IDR	464,002,899.00	0.0005	232,001.45
Indian Rupee	1,680,325.90	0.0855	143,667.86
Others	735,163,979.90	—	58,851,857.44
Accounts receivable	—	—	178,293,384.03
Including: USD	12,629,263.20	7.1884	90,784,195.59
Others	411,135,311.46	—	87,509,188.44
Accounts receivable	—	—	213,147,592.86
Including: USD	6,473,860.88	7.1884	46,536,701.55
Euro	3,956,245.61	7.5257	29,773,517.59
Others	627,574,178.48	—	136,837,373.72

2. Notes on the overseas operating entities, including, for significant overseas operating entities, the necessary disclosure of main overseas operating places, functional currency and selection basis, as well as reasons for changes of the functional currency

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXV) Lease

1. As lessee

☒ Applicable ☐ Not Applicable

Item	Amount for the current period	Amount for the last period
Interest expense on lease liabilities	5,339,159.41	8,027,848.66
Short-term lease expense under simplified approach included in the cost of the relevant asset or the current profit or loss	104,453,145.29	136,551,404.83
Lease expense of low-value assets (except short-term lease expense of low-value assets) under simplified approach included in the cost of the relevant asset or the current profit or loss	—	—
Total cash outflows relating to leases	170,345,123.36	201,398,677.46

The Company's potential future cash outflows that are not included in the measurement of lease liabilities are primarily derived from leases that are committed but have not yet commenced.

The Company's expected future cash outflows relating to leases that are committed but have not yet commenced are as follows:

Remaining lease term	Undiscounted lease payments
Within 1 year	65,486,202.59
1 to 2 years	35,613,637.37
2 to 3 years	30,075,028.76
Over 3 years	31,692,072.03
Total	162,866,940.75

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

(LXXXV) Lease (Continued)

2. As lessor

Operating lease

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Including: Income related to variable lease payment that are not included in lease receipt
Remaining lease term	68,169,600.67	—
Total	68,169,600.67	—

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXV) Lease (Continued)

2. As lessor (Continued)

The undiscounted lease receipts to be received after the balance sheet date are as follows:

Remaining lease term	Amount for the current period	Amount for the previous period
Within 1 year	3,964,604.77	26,357,872.46
1 to 2 years	2,808,999.35	23,324,743.00
2 to 3 years	2,808,999.35	23,324,743.00
Over 3 years	8,426,998.05	68,523,921.92
Total	18,009,601.52	141,531,280.38

Financing lease

☐ Applicable ☒ Not Applicable

Reconciliation of undiscounted lease receipts to net investment in leases

☐ Applicable ☒ Not Applicable

Undiscounted lease receipts over next five years

☐ Applicable ☒ Not Applicable

3. Recognition of profits and losses on sales under finance leases as a manufacturer or distributor

☐ Applicable ☒ Not Applicable

Other explanation

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(LXXXVI) Data resources

☐ Applicable ☒ Not Applicable

(LXXXVII) Others

☐ Applicable ☒ Not Applicable

VIII. RESEARCH AND DEVELOPMENT EXPENSES

(I) By nature

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Labor expenses	1,214,674,718.71	1,152,388,496.74
Materials expenses	163,170,131.98	172,893,753.02
Testing and processing expenses	147,755,406.63	197,918,418.96
Depreciation and amortization expenses	180,271,132.75	167,834,062.54
Administrative expenses	24,231,909.55	30,342,647.79
Travel costs	43,680,663.72	40,983,115.47
Others	264,403,605.03	275,516,103.87
Total	<u>2,038,187,568.37</u>	<u>2,037,876,598.39</u>
Including: Expensed research and development expenditure	1,912,373,179.29	1,862,286,761.81
Capitalized research and development expenditure	<u>125,814,389.08</u>	<u>175,589,836.58</u>

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

VIII. RESEARCH AND DEVELOPMENT EXPENSES (CONTINUED)

(II) Development expenditure qualified for capitalization

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Internal development expenditure	Others	Recognised as intangible assets	Transferred to current profit or loss	
Development expenditure	179,725,096.60	303,560,672.34	-	151,494,733.34	177,746,283.26	154,044,752.34
Less: Impairment provision	-	-	-	-	-	-
Total	179,725,096.60	303,560,672.34	-	151,494,733.34	177,746,283.26	154,044,752.34

Significant capitalized research and development projects

☐ Applicable ☒ Not Applicable

Provision for impairment of research and development expenditure

☐ Applicable ☒ Not Applicable

Other explanation

Not applicable °

(III) Significant acquired projects under development

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

IX. CHANGES ON SCOPE OF CONSOLIDATION

(I) Business combination of entities not under common control

☒ Applicable ☐ Not Applicable

1. Non-common control business combination transactions occurred during the period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of acquiree	Equity acquisition date	Equity acquisition cost	Equity acquisition ratio (%)	Equity acquisition method	Acquisition date	Basis for determining acquisition date	Revenue of acquiree from acquisition date to period-end	Net profit of acquiree from acquisition date to period-end	Cash flow of acquiree from acquisition date to period-end
Zhengzhou Railway Fulun Construction Engineering Development Co., Ltd.	1 July 2024	25,118,600.00	100.00	Business combination of entities not under common control	1 July 2024	Equity transfer agreement	2,979,287.00	9,589.71	-15,021,083.05
CRCC Zhengzhou Survey & Design Co., Ltd.	1 July 2024	43,840,000.00	100.00	Business combination of entities not under common control	1 July 2024	Equity transfer agreement	16,318,155.07	735,274.06	-13,558,334.27

2. Combination cost and goodwill

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Zhengzhou Railway Fulun Construction Engineering Development Co., Ltd.	CRCC Zhengzhou Survey & Design Co., Ltd.
Combination cost		
- Cash	-	-
- Fair value of non-cash assets	25,118,600.00	43,840,000.00
- Fair value of issued or assumed liabilities	-	-
- Fair value of issued equity securities	-	-
- Fair value of contingent consideration	-	-
- Fair value of previously held equity interest on acquisition date	-	-
- Others	-	-
Total combination cost	25,118,600.00	43,840,000.00
Less: Share of fair value of acquired identifiable net assets	25,118,600.00	43,840,000.00
Goodwill/amount when combination cost is less than the share of fair value of acquired identifiable net assets	-	-

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

IX. CHANGES ON SCOPE OF CONSOLIDATION (CONTINUED)

(I) Business combination of entities not under common control (Continued)

2. Combination cost and goodwill (Continued)

Determination method of the fair value of combination cost:

☐ Applicable ☒ Not Applicable

Performance commitment fulfillment status:

☐ Applicable ☒ Not Applicable

Main reasons for significant goodwill formation:

☐ Applicable ☒ Not Applicable

3. Identifiable assets and liabilities of the acquiree on the acquisition date

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Zhengzhou Railway Fulun Construction Engineering Development Co., Ltd.		CRCC Zhengzhou Survey & Design Co., Ltd.	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets	28,390,647.19	26,946,972.30	46,346,397.25	40,443,018.01
Cash and cash equivalents	16,811,275.66	16,811,275.66	13,571,542.43	13,571,542.43
Receivables	710,000.00	710,000.00	23,582,488.04	23,582,488.04
Inventories	8,867,163.09	8,867,163.09	–	–
Other current assets	132,620.64	132,620.64	–	–
Fixed assets	424,227.15	424,227.15	3,144,443.15	3,144,443.15
Intangible assets	1,443,674.89	–	5,903,379.24	–
Deferred income tax assets	1,685.76	1,685.76	144,544.39	144,544.39
Liabilities	3,272,047.19	3,272,047.19	2,506,397.25	2,506,397.25
Loans	–	–	–	–
Payables	3,272,047.19	3,272,047.19	2,506,397.25	2,506,397.25
Deferred income tax liabilities	–	–	–	–
Net assets	25,118,600.00	23,674,925.11	43,840,000.00	37,936,620.76
Less: Non-controlling interests	–	–	–	–
Net assets acquired	<u>25,118,600.00</u>	<u>23,674,925.11</u>	<u>43,840,000.00</u>	<u>37,936,620.76</u>

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

IX. CHANGES ON SCOPE OF CONSOLIDATION (CONTINUED)

(I) Business combination of entities not under common control (Continued)

4. Gain or loss from remeasurement at fair value of previously held equity interest as of acquisition date

Any business combination achieved in stages through multiple transactions with control obtained during the reporting period?

☐ Applicable ☒ Not Applicable

5. Explanation of cases where the acquisition consideration or the fair value of identifiable assets and liabilities of the acquiree could not be reasonably determined as of the acquisition date or the end of the reporting period

☐ Applicable ☒ Not Applicable

6. Other explanation

☐ Applicable ☒ Not Applicable

(II) Business combinations under common control

☐ Applicable ☒ Not Applicable

(III) Reverse acquisition

☐ Applicable ☒ Not Applicable

(IV) Disposal of subsidiaries

Any transactions or events that result in the loss of control over a subsidiary in this period

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

Any disposal of investments in subsidiaries through multiple transactions and losing control over the subsidiary in the reporting period

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

IX. CHANGES ON SCOPE OF CONSOLIDATION (CONTINUED)

(V) Changes in scope of consolidation due to other reasons

Explanation of changes in scope of consolidation due to other reasons and other information (e.g. establishment of new subsidiaries, liquidation of subsidiaries, etc.):

☒ Applicable ☐ Not Applicable

1. Subsidiary CRSC Engineering Bureau Group Electrical Engineering Co., Ltd. was deregistered on 22 August 2024.
2. CASCO Signal (Jinan) Co., Ltd. was established on 9 May 2024 by subsidiary CASCO with a 100% equity interest.
3. CRSC Smart Industry Development (Suining) Co., Ltd. was established on 23 October 2024 by subsidiary CRSCC with a 100% equity interest.
4. CRSC (Chongqing) Intelligent Transportation Technology Co., Ltd. was established on 18 March 2024 through joint investment by subsidiary Urban Rail Transit and minority shareholders Chongqing Rail Transit (Group) Co., Ltd. and Chongqing Rail Transit Industry Investment Co., Ltd.. Urban Rail Transit holds a 51% equity interest.
5. CRSC Qingdao Metro Low-Altitude Transportation (Qingdao) Technology Co., Ltd. was established on 24 December 2024 through joint investment by Urban Rail Transit and minority shareholders Qingdao Metro Group Co., Ltd. and Qingdao Collaborative Innovation Research Institute Investment Management Group Co., Ltd.. Urban Rail Transit holds a 45% equity interest.
6. CRSC (Guangzhou) Engineering Technology Co., Ltd. was established on 29 September 2024 through joint investment by the Company, Shanghai Engineering Bureau, and minority shareholder Guangzhou Railway Technology Development Co., Ltd.. The Company holds a 41.21% equity interest, Shanghai Engineering Bureau holds 24.79%, with a total equity interest of 66%.

(VI) Others

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES

(I) Interests in subsidiaries

1. Composition of enterprise group

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiaries	Places of principal activities	Registered capital	Place of registration	Nature of business	Shareholding percentage of the Group (%)		
					Direct	Indirect	Means of acquisition
Innovation Investment	Beijing	RMB5 billion	Beijing	Investment management	100.00		Incorporation through investment
CRSC Xi'an Industry Group	Xi'an	RMB2.149 billion	Xi'an	Equipment manufacturing	100.00		Incorporation through investment
CRSCD	Beijing	RMB1.36 billion	Beijing	Design and integration	100.00		Incorporation through investment
Shanghai Engineering Bureau	Shanghai	RMB1.5 billion	Shanghai	System delivery and design integration	100.00		Incorporation through investment
CRSC Changsha Railway	Changsha	RMB1.229 billion	Changsha	System delivery services	100.00		Incorporation through investment
CRSC Construction	Changsha	RMB1.1 billion	Changsha	Construction contracting	100.00		Incorporation through investment
CRSCE	Beijing	RMB1.095 billion	Beijing	System delivery services	100.00		Incorporation through investment
CRSC International Holdings	Beijing	RMB463 million	Beijing	Design and integration	100.00		Incorporation through investment
CRSC Cables	Zhengzhou	RMB348 million	Zhengzhou	Equipment manufacturing	100.00		Incorporation through investment
CRSCC	Beijing	RMB233 million	Beijing	Design and integration	100.00		Incorporation through investment
Urban Rail Transit	Beijing	RMB100 million	Beijing	Design and integration	100.00		Incorporation through investment
Beijing Goods and Materials	Beijing	RMB5 million	Beijing	Wholesale	100.00		Business combinations under common control
CRSC International	Hong Kong, China	HKD3 million	Hong Kong, China	Technical exchange and trade	100.00		Incorporation through investment
CRSC Finance	Beijing	RMB2 billion	Beijing		95.00		Incorporation through investment
CRSC Huatai	Jishou	RMB580 million	Jishou	Enterprise group financial company services; Project management of engineering and operation and maintenance	90.00		Incorporation through investment

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(I) Interests in subsidiaries (Continued)

1. Composition of enterprise group (Continued)

Name of subsidiaries	Places of principal activities	Registered capital	Place of registration	Nature of business	Shareholding percentage of the Group (%)		
					Direct	Indirect	Means of acquisition
CRSC Tengda	Jishou	RMB450 million	Jishou	Project management of engineering and operation and maintenance	90.00		Incorporation through investment
CRSC Jiangsu Smart	Taixing	RMB400 million	Taixing	Design and integration	88.00	2.00	Incorporation through investment
Electrification Bureau	Zhengzhou	RMB500 million	Zhengzhou	General engineering contracting and system delivery service	65.00		Business combination not under common control
Zhengzhou Xiudong	Zhengzhou	RMB500 million	Zhengzhou	Construction contracting	65.00		Business combination not under common control
CASCO	Shanghai	RMB600 million	Shanghai	Design and integration	51.00		Business combination not under common control
CSRC Low-Altitude Intelligent	Beijing	RMB50 million	Beijing	Professional technical service	100.00		Business combinations under common control

Other explanation:

Notes:

- All the companies above are limited liability companies.
- For changes on major subsidiaries for the year, please refer to Note "IX. Changes on scope of consolidation".
- The Articles of Association stipulate that CRSC CASCO is a Sino-foreign joint venture, with the Board as its highest authority, and the proportion of voting rights is calculated according to the proportion of seats on the Board. The Board of CRSC CASCO consists of seven members, including four from CRSC.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(I) Interests in subsidiaries (Continued)

2. Significant non-wholly owned subsidiaries

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding percentage of non-controlling shareholders	Current profits and losses attributable to non-controlling shareholders	Current dividends	Ending balance of interest of non-controlling shareholders
			declared and paid to non-controlling shareholders	
CASCO	49.00%	497,323,456.51	380,668,750.00	1,174,245,069.92

Explanations for the inconsistency of shareholding percentage of non-controlling shareholders of subsidiaries with proportion of their voting rights:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

31 December 2024
RMB

(I) **Interests in subsidiaries (Continued)**

Applicable	Not Applicable
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Unit: Yuan Currency: RMB

CASCO

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(I) Interests in subsidiaries (Continued)

4. Major restrictions on the use of assets of the Group and repayment of debts of the Group

☐ Applicable ☒ Not Applicable

5. Financial support or other support provided for structured entities included in the scope of consolidated financial statements

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

II. Transaction in which the share of shareholder's interests in the subsidiary changes while control over the subsidiary remaining unchanged

☐ Applicable ☒ Not Applicable

(III) Interests in the joint venture or associate

☒ Applicable ☐ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

1. Significant joint ventures or associates

☒ Applicable ☐ Not Applicable

Name of joint ventures or associates	Principal place of business	Place of registration	Nature of business	Shareholding percentage of the Group (%)		Accounting method for Investments in joint ventures or associates	Any strategic significance for the Company's activities
				Direct	Indirect		
Joint ventures							
Xi'an Schaltbau Electric Corp., Ltd	Xi'an	Xi'an	Manufacturing of product	–	50.00	Equity method	No
CRSC Smart Data Technology (Beijing) Co., Ltd.	Beijing	Beijing	Technology development	–	45.00	Equity method	No
Associates							
CSCEC Foshan Joint Investment Co., Ltd.	Guangzhou	Guangzhou	Investment project construction	11.00	–	Equity method	No
Siping Integrated Pipeline Construction Co., Ltd.	Siping	Siping	Project contracting	20.00	–	Equity method	No
Guangdong Ultrust Financial Leasing Co., Ltd.	Guangzhou	Guangzhou	Financial leasing	30.00	–	Equity method	No
CRSC Tianshui Tram Co., Ltd.	Tianshui	Tianshui	Project contracting	35.63	–	Equity method	No
Siemens Signalling Company Ltd.	Xi'an	Xi'an	Manufacturing of product	–	30.00	Equity method	No
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Beijing	Beijing	Technology development	–	20.00	Equity method	No
Henan Huazhou Railway Co., Ltd.	Anyang	Anyang	Project contracting	–	44.00	Equity method	No
Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership)	Zhuhai	Zhuhai	Equity investment management	–	40.00	Equity method	No
Tianshui Tram Co., Ltd.	Tianshui	Tianshui	Project contracting	–	36.00	Equity method	No
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	Hangzhou	Hangzhou	Technology development	–	40.00	Equity method	No
China Tietong Railway Operation Co., Ltd..	Wenzhou	Wenzhou	Rail transit operation	–	30.00	Equity method	No
China Liantou (Shanghai) Digital Technology Co., Ltd.	Shanghai	Shanghai	Data technology	–	20.00	Equity method	No
Tianjin Jingui Huihai Technology Development Co., Ltd.	Tianjin	Tianjin	Rail transit operation	–	20.00	Equity method	No
Shentie Signaling (Shenzhen) Co., Ltd	Shenzhen	Shenzhen	Software and information technology services	49.00	–	Equity method	No
Wuhan Smart Metro Technology Co., Ltd.	Wuhan	Wuhan	Software and information technology services	–	15.00	Equity method	No
Shijiazhuang Transportation Investment Intelligent Transportation Technology Co., Ltd.	Shijiazhuang	Shijiazhuang	Software and information technology services	–	45.00	Equity method	No

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

1. Significant joint ventures or associates (Continued)

Basis for holding less than 20% voting rights but having significant influence, or holding 20% or more voting rights but not having significant influence:

- (1) On 14 April 2020, the Company's subsidiary, CRSC Low-Altitude Intelligence (formerly known as CRSC Smart City Research & Design Institute Co., Ltd.), and Aerospace Harmony Wisdom (Beijing) Technologies Co., Ltd. jointly established CRSC Smart Data Technology (Beijing) Co., Ltd. According to the company's articles of association, Aerospace Harmony Wisdom (Beijing) Technologies Co., Ltd. holds 55% of the shares, while CRSC Low-Altitude Intelligence holds 45%. Voting rights are exercised in proportion to paid-in capital contributions, and shareholder meeting resolutions require approval by shareholders representing more than two-thirds of the voting rights. CRSC Low-Altitude Intelligence and Aerospace Harmony Wisdom (Beijing) Technologies Co., Ltd. jointly control CRSC Smart Data Technology (Beijing) Co., Ltd. In 2024, CRSC Low-Altitude Intelligence transferred its shares in this company to the Company's subsidiary, CRSC Information Industry Co., Ltd.
- (2) Foshan CSCEC Transportation Joint Investment Co., Ltd. was jointly established by the Company, CSCEC Transportation Construction Group Co., Ltd., China State Construction Engineering Corporation (CSCEC), and Beijing E-Hualu Information Technology Co., Ltd. The Company holds an 11% stake, CSCEC Transportation Construction Group Co., Ltd. holds 48%, CSCEC holds 30%, and Beijing E-Hualu Information Technology Co., Ltd. holds 11%. The Company has significant influence through its appointed directors; therefore, it accounts for Foshan CSCEC Transportation Joint Investment Co., Ltd. as an associate.
- (3) On 16 May 2024, CASCO, a subsidiary of the Company, entered into a capital increase agreement with Wuhan Metro Group Co., Ltd., Wuhan University of Technology Optical Science Co., Ltd., Wuhan Optics Valley Fiberhome Integrated Circuit Venture Capital Fund Partnership (Limited Partnership), Jiaokong Technology Co., Ltd. and Wuhan Smart Metro Technology Co., Ltd., pursuant to which CASCO agreed to increase its capital contribution by RMB41.7297 million, of which RMB10.7143 million will be included in the paid-in capital, and its shareholding ratio will be 15% after the capital increase. After the capital increase, CASCO will appoint one director and have significant influence over Wuhan Intelligent Metro Technology Co., Ltd.

2. Main financial information of significant joint ventures

☐ Applicable ☒ Not Applicable

3. Main financial information of significant associates

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

4. Summary of financial information of insignificant joint ventures and associates

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the current period	Opening balance/ Amount for the previous period
Joint ventures:		
Total book value of investment	143,770,099.03	146,986,709.27
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	18,223,389.76	18,459,167.19
– Other comprehensive income	–	–
– Total comprehensive income	18,223,389.76	18,459,167.19
Associates:		
Total book value of investment	1,662,931,716.88	1,385,179,535.96
Total amount of the following items calculated		
– Net profit	97,406,880.15	100,582,211.58
– Other comprehensive income	–	–
– Total comprehensive income	97,406,880.15	100,582,211.58

Other explanation

Not applicable.

5. Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

☐ Applicable ☒ Not Applicable

6. Excessive loss incurred by joint ventures or associates

☐ Applicable ☒ Not Applicable

7. Unrecognised commitments related to investments in joint ventures

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

X. INTERESTS IN OTHER ENTITIES (CONTINUED)

(III) Interests in the joint venture or associate (Continued)

8. *Contingent liabilities related to investments in joint ventures or associates*

☐ Applicable ☒ Not Applicable

(IV) Significant joint operation

☐ Applicable ☒ Not Applicable

(V) Interests in structured entities not included in the scope of consolidated financial statements

Explanation of structured entities not included in the scope of consolidated financial statements

☐ Applicable ☒ Not Applicable

(VI) Others

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XI GOVERNMENT SUBSIDIES

(I) Government subsidies recognised as accounts receivable at the end of the reporting period

☐ Applicable ☒ Not Applicable

The reasons for not receiving the expected amount of government subsidies at the anticipated time

☐ Applicable ☒ Not Applicable

(II) Debt items involving government subsidies

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Opening balance	increase for the period	Decrease for the period in non-operating income	Decrease for the period in other income	Others	Closing balance	Government grants related to assets/income
Deferred income	63,069,884.68	–	1,806,969.73	297,395.08	–	60,965,519.87	Government grants related to assets
Deferred income	110,720,781.34	110,699,889.75	–	156,617,694.12	-5,633,023.91	59,169,953.06	Government grants related to assets
Total	173,790,666.02	110,699,889.75	1,806,969.73	156,915,089.20	-5,633,023.91	120,135,472.93	/

(III) Government subsidies included in current profit and loss

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Type	Amount for the current period	Amount for the previous period
Government grants related to assets	2,104,364.81	5,188,130.50
Government grants related to income	387,801,109.11	385,013,598.55
Total	389,905,473.92	390,201,729.05

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS

(I) Category of financial instruments

☒ Applicable ☐ Not Applicable

Financial assets:

Item	Measured at amortized cost	Measured at fair value through other comprehensive income		Total
		Standards	Designated	
Cash and bank balances	22,577,015,997.32	–	–	22,577,015,997.32
Bills receivable	1,105,165,396.54	–	–	1,105,165,396.54
Receivables for financing	–	775,835,849.40	–	775,835,849.40
Accounts receivable	26,973,365,116.63	–	–	26,973,365,116.63
Other receivables	1,612,679,459.07	–	–	1,612,679,459.07
Debt investment	273,172,183.50	–	–	273,172,183.50
Other equity instrument investments	–	–	1,212,543,806.03	1,212,543,806.03
Long-term receivables	7,165,732,307.23	–	–	7,165,732,307.23
Financial assets included in other non-current assets	5,244,638,726.24	–	–	5,244,638,726.24
Total	64,951,769,186.53	775,835,849.40	1,212,543,806.03	66,940,148,841.96

Financial liabilities:

Item	Measured at amortized cost	Measured at fair value through other comprehensive income		Total
		Standards	Designated	
Short-term borrowings	143,465,431.83	–	–	143,465,431.83
Bills payable	1,775,609,143.61	–	–	1,775,609,143.61
Accounts payable	42,735,743,855.81	–	–	42,735,743,855.81
Customers deposits and deposits from banks and other financial institutions	3,001,258,120.80	–	–	3,001,258,120.80
Other payables	1,973,997,368.12	–	–	1,973,997,368.12
Employee benefits payable (cash payment)	908,745,583.60	–	–	908,745,583.60
Long-term borrowings	3,333,970,469.20	–	–	3,333,970,469.20
Financial liabilities in non-current liabilities due within one year	189,549,251.32	–	–	189,549,251.32
Lease liabilities	78,393,367.34	–	–	78,393,367.34
Long-term payables	45,383,366.45	–	–	45,383,366.45
Total	54,186,115,958.08	–	–	54,186,115,958.08

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS

(II) Transfer of financial assets

Transferred financial assets that are not derecognized in their entirety

As of 31 December 2024, the carrying amounts of bank acceptance bills and commercial acceptance bills endorsed or discounted by the Company to suppliers for the settlement of accounts payable amounted to RMB46,601,066.75 and RMB374,393,736.36, respectively. (As of 31 December 2023: bank acceptance bills of RMB91,215,838.81, commercial acceptance bills of RMB267,557,953.13, and other credit instruments measured at fair value through other comprehensive income of RMB500,000.00). The Company considers that it has retained substantially all the risks and rewards associated with these instruments, including the related default risk, and therefore continues to fully recognise them along with the settled accounts payable. After endorsement, the Company no longer retains the right to use these instruments, including the rights to sell, transfer, or pledge them to third parties. As of 31 December 2024, the total carrying amount of accounts payable settled through such instruments was RMB315,724,003.31 (as of 31 December 2023: RMB359,273,791.94).

As at 31 December 2024, the Company had a balance of RMB406,000,000.00 in factoring of accounts receivable with recourse.

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As of 31 December 2024, the carrying amounts of bank acceptance bills endorsed by the Company to suppliers for the settlement of accounts payable and other credit instruments measured at fair value through other comprehensive income were RMB351,839,468.29 and RMB24,857,868.22, respectively (31 December 2023: RMB439,903,335.27 and RMB68,522,549.52, respectively).

As at 31 December 2024, the derecognized bills had a maturity of one to twelve months. In accordance with the Law of Negotiable Instruments, the holders of the derecognized bills have the right of recourse against the Company if the accepting banks default (the "Continuing Involvement"). In the opinion of the Company, the Company has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables settled. The maximum exposure to loss from the Company's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Company, the fair values of the Company's Continuing Involvement in the Derecognised Bills are not significant.

In 2024, the Company did not recognise any profit or loss on the date of transfer of the derecognised bills. The Company had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognized. The endorsement happened evenly throughout the year.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments

The Company is faced with risks of various financial instruments in daily activities, which mainly include credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk). The main financial instruments of the Company include monetary funds, equity investment, borrowings, receivables for financing and accounts receivable, bills payable and accounts payable and others. The risks associated with these financial instruments and the risk management strategies adopted by the Company to mitigate these risks are described below.

The Board of Directors shall be responsible for planning and establishing the risk management framework of the Company, formulating the Company's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has developed risk management policies to identify and analyze risks faced by the Company. These risk management policies specify specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Company periodically evaluates changes in the market environment and the Company's business activities to determine whether to update risk management policies and systems. The risk management of the Company shall be carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee works closely with other business units of the Company to identify, assess and mitigate risks. The internal audit department of the Company conducts regular audits on risk management control and procedures and reports the audit results to the Company's Audit Committee.

The Company diversifies the risk of financial instruments through appropriate diversification of investments and business portfolios, and reduces the risk of concentration in any single industry, specific region or specific counterparty by formulating appropriate risk management policies.

1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company only deals with recognized and reputable third parties. According to the Company's policy, credit review is required for all customers who seek to carry out credit-based transactions. In addition, the Company continuously monitors the balance of accounts receivable to ensure that the Company is not exposed to significant bad debt risks. For transactions that are not settled in the functional currency of the relevant business entity, the Company does not provide credit-based transactions unless specifically approved by the credit control department of the Company.

Since the counterparties of monetary funds and bank acceptance bills receivable are banks with good reputation and high credit ratings, these financial instruments have low credit risk.

Financial assets of the Company include monetary funds, receivables for financing, accounts receivable, other receivables, debt investments, other equity instrument investments, long-term receivables, and financial assets included in other non-current assets. The credit risk of these financial assets originates from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

As the Company only deals with recognized and reputable third parties, no collateral is required. Credit risk is centrally managed by customers/counterparties, geographic region and industry. Customers owing accounts receivable to the Company were widely engaged in different sectors and industries, therefore, there was no concentration of significant credit risks within the Company. The Company did not hold any collateral or other credit enhancement against the balance of accounts receivable.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

1. Credit risk (Continued)

(1) Criteria for judgment of significant increase in credit risk:

On each balance sheet date, the Company assessed whether or not the credit risk of relevant financial instruments has increased significantly since initial recognition. In determining whether or not the credit risk has increased significantly since the initial recognition, the Company considered that the reasonable and reliable information could be obtained without unnecessary extra costs or efforts, including qualitative and quantitative analysis based on the Company's historical data, external credit risk rating and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Company compared the risk of default of financial instruments as at the balance sheet date with the risk of default on the initial recognition date to determine the changes in the default risk of financial instruments during their lifetime.

The Company believed that the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria or upper limit indicators are triggered:

- The quantitative criteria are satisfied if the probability of default for the remaining lifetime on the reporting date rises by more than a certain proportion compared with the probability of default at time of the initial recognition;
- Qualitative criteria mainly comprise material adverse changes in the debtor's business or financial position, and alert list of customers;
- The upper limit indicator is defined as the debtor's contract payment (including principal and interest) has been overdue for more than 30 days.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

1. Credit risk (Continued)

(2) Definition of assets with credit impairment:

In order to determine whether or not credit impairment has occurred, the Company adopted the definition criteria consistent with the internal credit risk management objectives for relevant financial instruments, while considering both quantitative and qualitative indicators. When the Company evaluated whether or not the debtor suffers from credit impairment, it mainly considered the following factors:

- the issuer or debtor is in material financial difficulties;
- the debtor violates the contract, such as default or overdue payment of interest or principal, etc.;
- the creditor gives concessions that it would not make under any other circumstance based on economic or contractual considerations related to the debtor's financial difficulties;
- the debtor is likely to go bankrupt or undergo other financial restructuring;
- difficulties of the issuer or debtor result in the disappearance of the active market of the financial asset;
- purchase or generate a financial asset at a substantial discount, which reflects the fact that credit impairment has occurred.

Credit impairment of financial assets might be caused by the combined action of multiple events, but not necessarily by separately identifiable events.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

1. Credit risk (Continued)

(3) Parameters for measuring expected credit loss:

Depending on whether credit risk has increased significantly and whether credit impairment has occurred, the Company measures impairment provision for different assets with the expected credit loss for 12 months or the lifetime period, respectively. The key parameters for expected credit loss measurement include default probability, default loss rate and default risk exposure. Considering the quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantees and collateral types, repayment methods and others), the Company establishes a default probability, default loss rate and default risk exposure model.

The relevant definitions are as follows:

- Probability of default (PD) refers to the possibility that the debtor will not be able to fulfill its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Company's PD is adjusted based on the results of the historical mobility model of receivables, taking into account the forward-looking information to reflect the debtor's PD under the current macroeconomic environment;
- Loss given default (LGD) refers to the Company's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;
- Exposure at default (EAD) is the amount that the Company should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Company identified the key economic indicators that affect the credit risk of each business type and ECL.

Please see Notes "VII. (V)", "VII. (VII)", "VII. (IX)", "VII. (VI)", "VII. (XII)", "VII. (XIV)", "VII. (XVI)" and "VII. (XXX)" for the quantitative data of credit risk exposure of the Company due to receivables, receivables for financing, other receivables, contract assets, non-current assets due within one year, debt investments, long-term receivables and other non-current assets.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

2. Liquidity risk

The Company monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Company's operations.

The Company sets its objective as maintaining a balance between continuity of funding and flexibility through the use of several financing methods such as notes settlement and bank borrowings, as well as optimizing financing structure through the combination of long and short-term financing. The Company has obtained banking facilities from several commercial banks to fund the working capital requirements and capital expenditure.

Management of the Company monitors the liquidity position of the Company on an ongoing basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Company's financial resources.

31 December 2024

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	143,465,431.83	–	–	–	143,465,431.83
Bills payable	1,775,609,143.61	–	–	–	1,775,609,143.61
Accounts payable	42,735,743,855.81	–	–	–	42,735,743,855.81
Other payables	1,961,827,723.66	–	–	–	1,961,827,723.66
Deposits and placements from banks	3,001,258,120.80	–	–	–	3,001,258,120.80
Lease liabilities (including those due within one year)	30,751,306.86	39,359,784.16	39,892,660.08	19,633,879.35	129,637,630.45
Long-term borrowings (including maturity within 1 year)	115,086,072.85	111,500,000.00	333,000,000.00	2,889,470,469.20	3,449,056,542.05
Interest on long-term and short-term borrowings	135,222,090.42	133,298,620.25	367,942,633.23	284,411,004.61	920,874,348.51
Long-term payables (including maturity within 1 year)	38,756,176.27	45,383,366.45	–	–	84,139,542.72

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

2. Liquidity risk

31 December 2023 (Continued)

Item	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	2,451,633,147.05	–	–	–	2,451,633,147.05
Bills payable	1,416,353,129.31	–	–	–	1,416,353,129.31
Accounts payable	49,669,506,699.81	–	–	–	49,669,506,699.81
Other payables	1,674,417,947.97	–	–	–	1,674,417,947.97
Customers deposits and deposits from banks and other financial institutions	138,046,438.06	–	–	–	138,046,438.06
Lease liabilities	63,251,555.98	64,973,517.76	16,810,798.76	2,474,034.89	147,509,907.39
Long-term borrowings (including maturity within 1 year)	341,991,400.00	28,000,000.00	363,000,000.00	2,588,942,069.48	3,321,933,469.48
Interest on long-term and short-term borrowings	161,777,993.49	158,724,132.21	578,441,748.96	310,858,038.39	1,209,801,913.05
Long-term payables (including maturity within 1 year)	39,821,474.75	53,338,192.06	–	–	93,159,666.81

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

3. *Market risk*

(1) *Interest rate risk*

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings and bank current deposit in large amount with floating interest rates.

The Company regularly reviews and monitors the mix of fixed and floating interest rate in order to manage its interest rate risk. Borrowings and monetary funds are stated at amortized cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 31 December 2024, floating interest rate loans and fixed interest rate loans accounted for 93.49% and 6.51% of the Company's borrowings respectively. Management would adjust the floating rate assets based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of borrowings with floating interest rates by 1%, with all other variables held constant, the consolidated net profits and other comprehensive income, net of tax would have decreased/increased by approximately RMB24,216,899.69 (2023: RMB43,307,229.62), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Company. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 31 December 2024 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 1% of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from the year until the date of balance sheet of the next year.

If there was a general increase/decrease in the interest rates of demand deposit of bank with floating interest rates by 0.1 percentage point, with all other variables held constant, the consolidated net profits and other comprehensive income, net of tax would have increased/decreased by approximately RMB12,650,803.25 (2023: RMB9,210,243.26), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Company. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 31 December 2024 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 0.1 percentage point of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from the year until the date of balance sheet of the next year.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XII RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

(III) Risk of financial instruments (Continued)

3. Market risk (Continued)

(2) Foreign currency risk

As a result of its significant business operations in Mainland China, the Company's revenue, expenses and over 95% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Company's results of operations is therefore minimal and the Company has not entered into any hedging transactions as at 31 December 2024 and 31 December 2023 in order to reduce the Company's exposure to foreign currency risk in this regard.

The following table demonstrates the sensitivity analysis on the foreign currency risk, reflecting the influence of reasonable possible change in the exchange rates of the United States dollar and Hong Kong dollar, with all other variables held constant, on the Company's net profit net of tax.

Item	Increase/ (decrease) in United States dollar exchange rate)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholder's equity
Depreciation of RMB against United States dollar	5%	11,108,869.03	11,108,869.03
Appreciation of RMB against United States dollar	-5%	-11,108,869.03	-11,108,869.03

Item	Increase/ (decrease) in United States dollar exchange rate)	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in total shareholder's equity
Depreciation of RMB against Hong Kong dollar	5%	164,466.59	164,466.59
Appreciation of RMB against Hong Kong dollar	-5%	-164,466.59	-164,466.59

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred as at 31 December 2024 and 31 December 2023 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonable possible change in foreign exchange rates over the period from the year until the date of balance sheet of the next year.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIII DISCLOSURE OF FAIR VALUE

The inputs used for fair value measurement are classified into three levels:

Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that are available on the measurement date.

Level 2 inputs are observable inputs for the relevant asset or liability, either directly or indirectly, other than Level 1 inputs.

Level 3 inputs are unobservable inputs for the relevant asset or liability.

The level assigned to a fair value measurement is determined by the lowest level of input that is significant to the overall fair value measurement.

(I) Closing fair value of assets and liabilities measured at fair value

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing fair value			Total
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	
I. Continuous measurement of fair value				
(1) Receivables for financing	–	775,835,849.40	–	775,835,849.40
(2) Other equity instrument investments	–	–	1,212,543,806.03	1,212,543,806.03

1. Level-2 fair value measurement

The Group adopts the present value of cash flows method to determine the fair value of financing receivables, and the fair value approximates the book value.

2. Level-3 fair value measurement

The third level of fair value measurement of other equity instrument investments is the equity of unlisted companies held by the Company. The Company engaged an appraisal institution to appraise the fair value of the equity of unlisted companies and determined the fair value of other equity instrument investments to be RMB1,212,543,806.03.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIII DISCLOSURE OF FAIR VALUE (CONTINUED)

- (II) **Basis for determining the market value of continuous and non-continuous Level-1 fair value measurement items**

☐ Applicable ☒ Not Applicable

- (III) **Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-2 fair value measurement items**

☐ Applicable ☒ Not Applicable

- (IV) **Qualitative and quantitative information of valuation techniques and important parameters used in continuous and non-continuous Level-3 fair value measurement items**

☐ Applicable ☒ Not Applicable

- (V) **Information on adjustment between opening and closing book values and sensitivity analysis of unobservable parameters for continuous Level-3 fair value measurement items**

☐ Applicable ☒ Not Applicable

- (VI) **Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion**

☐ Applicable ☒ Not Applicable

- (VII) **Changes in valuation techniques during the current period and reason for such change**

☐ Applicable ☒ Not Applicable

- (VIII) **Fair value of financial assets and financial liabilities not measured at fair value**

☐ Applicable ☒ Not Applicable

- (IX) **Others**

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(I) Parent of the Company

☒ Applicable ☐ Not Applicable

Unit: 0,000 Yuan Currency: RMB

Name of the parent	Place of registration	Nature of business	Registered capital	Shareholding percentage of the parent to the Company (%)	Percentage of voting right of the parent to the Company (%)
CRSC Group	Beijing, the PRC	Wholly state-owned company; central enterprise	1,000,000.00	62.78	62.78

The ultimate holding company of the Company is CRSC Group, and the principal place of business of CRSC Group is 20th Floor, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC.

(II) Subsidiaries of the Company

For details of the subsidiaries of the Company, refer to Note “X. Interests in Other Entities”

☐ Applicable ☒ Not Applicable

(III) Details of the joint ventures and associates of the Company

For details of significant joint ventures or associates of the Company, see Note “X. Interests in Other Entities”

☐ Applicable ☒ Not Applicable

Information of other joint ventures or associates that had related party transactions with the Company in the current period or had formed balances from related party transactions with the Company in the previous period is as follows:

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(IV) Other related parties

☒ Applicable ☐ Not Applicable

Name of other related parties	Relationship between other related parties and the Company
ALSTOM Transport Australia Pty Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-France Signalling	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Singapore Pte Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport India Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Ferroviaria S.p. A.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Hong Kong Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Signaling Inc.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport (S) Pte Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM(Thailand)Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport S. A.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA (Romania)	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Aix en Provence	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Saint Ouen	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport SA-Villeurbanne	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Spain Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM ISRAEL LTD	Related party of a minority shareholder having material influence on subsidiary of the Group
GE (Shanghai) Electric Power Technology Co., Ltd.	Related party of a minority shareholder having material influence on subsidiary of the Group
Shanghai Alstom Transport Electrical Co.	Related party of a minority shareholder having material influence on subsidiary of the Group
Shanghai Alstom Transport Equipment Co.	Related party of a minority shareholder having material influence on subsidiary of the Group
Alstom Investment (Shanghai) Co., Ltd.	Minority shareholder having material influence on subsidiary of the Group
Gu'an Beixin Railway Signal Co., Ltd.	Associate of the subsidiary under control of the ultimate holding company
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Foshan Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Guizhou Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
Xi'an Weixun Monitoring Equipment Co., Ltd.	Subsidiary under control of the ultimate holding company
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Subsidiary under control of the ultimate holding company
Beijing Erqi Communication Factory Co., Ltd.	Subsidiary under control of the ultimate holding company
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	Subsidiary under control of the ultimate holding company
Beijing CRSC Beifang Real Estate Co., Ltd.	Subsidiary under control of the ultimate holding company
CRSC Group Capital Operation Co., Ltd.	Subsidiary under control of the ultimate holding company
China City Rail Transit Equipment Co., Ltd.	Subsidiary under control of the ultimate holding company

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions

1. *Related party transactions of purchasing or selling goods and rendering or receiving services*

Statement on procurement of goods/receipt of services

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Approved limit of transaction (if applicable)	Exceed the transaction limit or not (if applicable)	Amount for the previous period
Tianjin Jingui Huihai Technology Development Co., Ltd.	Procurement of goods	73,544,317.74	–	No	5,425,011.25
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Procurement of goods	40,516,675.33	–	No	31,902,064.57
Siemens Signalling Company Ltd.	Procurement of goods	27,493,499.99	–	No	28,471,330.93
ALSTOM Signaling Inc.	Procurement of goods	26,284,046.38	–	No	5,970,272.70
Shentie Signaling (Shenzhen) Co., Ltd.	Procurement of goods	24,484,852.56	–	No	1,546,282.41
ALSTOM Transport SA-Saint Ouen	Procurement of goods	23,083,260.29	–	No	30,168,146.14
Gu'an Beixin Railway Signal Co., Ltd.	Procurement of goods	19,677,812.39	–	No	32,594,793.18
ALSTOM Transport SA-Villeurbanne	Procurement of goods	13,700,489.31	–	No	17,601,359.80
ALSTOM(Thailand)Ltd	Procurement of goods	9,670,846.00	–	No	7,889,467.19
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Procurement of goods	8,248,038.92	–	No	36,452,303.62
Tianjin Keyvia Electric Co., Ltd.	Procurement of goods	1,036,063.90	–	No	–
Xi'an Weixun Monitoring Equipment Co., Ltd.	Procurement of goods	678,331.11	–	No	1,854,400.27
Xi'an Schaltbau Electric Corp., Ltd.	Procurement of goods	661,748.67	–	No	128,685.35
CRSC Smart Data Technology (Beijing) Co., Ltd.	Procurement of goods	–	–	No	941,037.05

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

1. Related party transactions of purchasing or selling goods and rendering or receiving services (Continued)

Statement on procurement of goods/receipt of services (Continued)

Related parties	Contents of related party transactions	Amount for the current period	Approved limit of transaction (if applicable)	Exceed the transaction limit or not (if applicable)	Amount for the previous period
ALSTOM Transport SA-Saint Ouen	Technology service	180,611,212.53	–	No	264,634,546.37
ALSTOM Transport SA-Villeurbanne	Technology service	17,541,083.11	–	No	21,848,487.92
Alstom Investment (Shanghai) Co., Ltd.	Technology service	6,974,971.69	–	No	1,525,154.65
ALSTOM Signaling Inc.	Technology service	6,280,644.18	–	No	22,931,258.42
ALSTOM Transport S. A.	Technology service	713,997.44	–	No	360,677.32
ALSTOM Transport SA-Aix en Provence	Technology service	–	–	No	725,963.82
ALSTOM Ferroviaria S.p. A	Technology service	–	–	No	365,324.81
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Receipt of service	6,024,216.52	–	No	6,854,316.58
CRSC Smart Data Technology (Beijing) Co., Ltd.	Receipt of service	1,857,106.42	–	No	3,327,118.36
Shanghai Alstom Transport Electrical Co., Ltd.	Receipt of service	1,280,000.00	–	No	–
China Tietong Railway Operation Co., Ltd.	Receipt of service	238,869.71	–	No	33,500.00
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	Receipt of service	92,307.08	–	No	–
ALSTOM Ferroviaria S.p.A	Receipt of service	35,482.85	–	No	–
Siemens Signalling Company Ltd.	Receipt of service	–	–	No	52,132.08

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

1. Related party transactions of purchasing or selling goods and rendering or receiving services (Continued)

Statement on sales of goods/provision of services

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
ALSTOM Transport S. A.	Sale of goods	106,569,373.05	56,237,793.02
Siemens Signalling Company Ltd.	Sale of goods	32,075,726.33	43,897,853.75
ALSTOM Transport India Limited	Sale of goods	18,900,240.00	7,085,848.00
Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	Sale of goods	18,479,094.98	—
ALSTOM Signaling Inc.	Sale of goods	3,936,705.73	—
Gu'an Beixin Railway Signal Co., Ltd.	Sale of goods	2,826,665.56	13,690,165.06
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	Sale of goods	1,865,687.16	—
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Sale of goods	1,291,464.70	5,817,097.11
ALSTOM Transport Australia Pty Limited	Sale of goods	449,723.00	5,652,818.13
China Liantou (Shanghai) Digital Technology Co., Ltd.	Sale of goods	370,000.00	—
ALSTOM ISRAEL LTD	Sale of goods	128,702.00	493,802.20
China Tietong Railway Operation Co., Ltd.	Sale of goods	128,177.00	17,150.44
ALSTOM Transport Spain Limited	Sale of goods	77,790.00	806,781.25
Xi'an Schaltbau Electric Co., Ltd.	Sale of goods	65,699.11	—
ALSTOM Ferroviaria S.p. A.	Sale of goods	34,171.00	—
Shanghai Alstom Transport Equipment Co., Ltd.	Sale of goods	16,799.99	—
CRSC Smart Data Technology (Beijing) Co., Ltd.	Sale of goods	1,415.10	—
ALSTOM Hong Kong Ltd	Sale of goods	—	385,000.00
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Sale of goods	—	227,998.68
CRSC Guizhou Real Estate Co., Ltd.	Sale of goods	—	224,881.13
ALSTOM Transport SA (Romania)	Sale of goods	—	73,822.00
ALSTOM Transport Singapore Pte Ltd	Sale of goods	—	16,792.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

1. Related party transactions of purchasing or selling goods and rendering or receiving services (Continued)

Statement on sales of goods/provision of services (Continued)

Related parties	Contents of related party transactions	Amount for the current period	Amount for the previous period
CRSC Tianshui Tram Co., Ltd.	Provision of services	69,974,111.98	2,342,456.37
Tianshui Tram Co., Ltd.	Provision of services	50,556,557.84	189,165,879.69
ALSTOM Transport Australia Pty Limited	Provision of services	14,971,990.56	–
Henan Huazhou Railway Co., Ltd.	Provision of services	14,587,294.30	–
CRSC Foshan Real Estate Co., Ltd.	Provision of services	14,124,932.38	42,784,861.21
Beijing CRSC Beifang Real Estate Co., Ltd.	Provision of services	5,689,219.41	132,757,397.61
CRSC Real Estate Co., Ltd.	Provision of services	4,840,897.25	36,167,776.25
Siemens Signalling Company Ltd.	Provision of services	569,322.38	1,641,988.20
China Liantou (Shanghai) Digital Technology Co., Ltd.	Provision of services	375,229.36	–
Shanghai Xinliceng Communication Technology Services Co., Ltd.	Provision of services	271,072.81	884,471.54
Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	Provision of services	202,925.91	21,698.11
CRSC Guizhou Real Estate Co., Ltd.	Provision of services	200,884.75	55,289,517.25
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	Provision of services	160,377.36	–
Gu'an Beixin Railway Signal Co., Ltd.	Provision of services	71,709.48	–
CRSC Smart Data Technology (Beijing) Co., Ltd.	Provision of services	47,308.05	–
Xi'an Schaltbau Electric Corp., Ltd.	Provision of services	–	701,967.98
Xi'an Weixun Monitoring Equipment Co., Ltd.	Provision of services	–	156,424.25
CRSC Real Estate Co., Ltd.	Other income	4,009,433.96	–
Xi'an Schaltbau Electric Corp., Ltd.	Other income	3,313,339.03	–
Xi'an Weixun Monitoring Equipment Co., Ltd.	Other income	542,831.34	–
CRSC Foshan Real Estate Co., Ltd.	Other income	–	25,688,073.39

Explanation about related party transactions of purchasing or selling goods and rendering or receiving services

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

2. *Connected entrusted management/contracting and entrusted management/outsourcing*

Statement on entrusted management/contracting by the Company:

☐ Applicable ☒ Not Applicable

Description of connected custody/contracting

☐ Applicable ☒ Not Applicable

Statement on entrusted management/outsourcing by the Company

☐ Applicable ☒ Not Applicable

Description of connected management/outsourcing

☐ Applicable ☒ Not Applicable

3. *Leases with related parties*

The Company as lessor:

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of lessee	Type of leased assets	Rental income recognized in current period	Rental income recognized in the previous period
Xi'an Schaltbau Electric Corp., Ltd.	House	2,850,783.05	2,469,832.47
Xi'an Weixun Monitoring Equipment Co., Ltd.	House	471,421.11	824,986.95

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

3. Leases with related parties

The Company as lessee:

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name of lessor	Type of leased assets	Short-term lease and low-value asset lease expense under simplified approach (if applicable)		Variable lease payments not included in the measurement of the lease liabilities (if applicable)		Rental expenses		Interest expenses of lease liabilities		Right-of-use asset acquired	
		Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period	Amount for the current period	Amount for the previous period
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	House	300,000.00	284,495.24	-	-	300,000.00	284,495.24	-	-	-	-
CRSC Real Estate Co., Ltd.	House	1,338,792.00	1,466,891.01	-	-	1,338,792.00	1,466,891.01	-	-	-	-

Explanation about leases with related parties

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

4. Related guarantee

The Company as a guarantor

☐ Applicable ☒ Not Applicable

The Company as a secured party

☐ Applicable ☒ Not Applicable

Description of related guarantee

☐ Applicable ☒ Not Applicable

5. Capital lending to/borrowing from related parties

☐ Applicable ☒ Not Applicable

6. Asset transfer and debt restructuring of related parties

☐ Applicable ☒ Not Applicable

7. Emolument of key management

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Emolument of key management	8,097,587.22	8,724,248.49

Key management personnel include executive directors, supervisors, independent nonexecutive directors and senior management.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

7. Emolument of key management (Continued)

(2) Directors' and supervisors' remuneration

Item	Amount for the current period	Amount for the previous period
Directors' and supervisors' remuneration	3,491,150.52	4,377,937.27

During the year, the names of directors and supervisors and their remunerations were as follows:

2024

Name	Position	Remuneration	Basic salaries	Performance based bonuses	Total Pre-tax Remunerations	Social Insurance	Annuity	Total Remunerations and Benefits (before tax)
LOU Qiliang (樓齊良)	Executive Director, the Chairman and President	-	242,204.00	324,807.00	567,011.00	160,290.78	62,348.64	789,650.42
ZHANG Quan (張權)	Executive Director	-	217,980.00	515,358.00	733,338.00	160,290.78	56,113.92	949,742.70
YAO Guiqing (姚桂清)	Independent Nonexecutive Director	100,000.00	-	-	100,000.00	-	-	100,000.00
YAO Cho Fai Andrew (姚祖輝)	Independent Nonexecutive Director	118,000.00	-	-	118,000.00	-	-	118,000.00
FU Junyuan (傅俊元)	Independent Nonexecutive Director	80,000.00	-	-	80,000.00	-	-	80,000.00
KONG Ning (孔寧)	Chairman of the Supervisory Committee	-	192,000.00	357,920.00	549,920.00	160,290.78	38,418.24	748,629.02
YANG Yang (楊揚)	Employee Representative Supervisor	-	240,000.00	280,300.00	520,300.00	160,290.78	24,537.60	705,128.38
LI Tienan(李鐵南)	Shareholder Representative Supervisor	-	-	-	-	-	-	-

Notes: 1) The total pre-tax remunerations include basic salary, seniority wage, post salary, performance-based salary, bonus, term incentive income and meeting allowance, etc.

2) Ms. Li Tienan has been appointed as a supervisor since February 2020. She has not received any remuneration for the year ended 31 December 2024 because she did not receive any remuneration during her term of office as a supervisor.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

7. Emolument of key management (Continued)

(2) Directors' and supervisors' remuneration (Continued)

2023

Name	Position	Remuneration	Basic salaries	Performance based bonuses	Total Pre-tax Remunerations	Social Insurance	Annuity	Total Remunerations and Benefits (before tax)
LOU Qiliang (樓青良)	Executive Director, the Chairman and President	-	60,051.00	60,051.00	120,102.00	39,266.37	15,298.32	174,666.69
ZHOU Zhiliang (周志亮)	Former Executive Director and the Chairman	-	240,204.00	553,596.00	793,800.00	152,413.86	60,444.00	1,006,657.86
XU Zongxiang (徐宗祥)	Former Executive Director and President	-	160,136.00	473,528.00	633,664.00	100,058.70	40,046.24	773,768.94
ZHANG Quan (張權)	Executive Director	-	216,180.00	310,160.00	526,340.00	152,413.86	53,118.24	731,872.10
YAO Guiqing (姚桂清)	Independent Nonexecutive Director	100,000.00	-	-	100,000.00	-	-	100,000.00
YAO Cho Fai Andrew (姚祖輝)	Independent Nonexecutive Director	117,000.00	-	-	117,000.00	-	-	117,000.00
FU Junyuan (傅俊元)	Independent Nonexecutive Director	76,667.00	-	-	76,667.00	-	-	76,667.00
GUO Yonghong (郭永宏)	Former Non-executive Director	-	-	-	-	-	-	-
KONG Ning (孔寧)	Chairman of the Supervisory Committee	-	192,000.00	324,700.00	516,700.00	152,413.86	34,484.16	703,598.02
YANG Yang (楊揚)	Employee Representative Supervisor	-	240,000.00	314,370.00	554,370.00	104,050.42	35,286.24	693,706.66
LI Tienan(李鐵南)	Shareholder Representative Supervisor	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

7. *Emolument of key management (Continued)*

(2) *Directors' and supervisors' remuneration (Continued)*

Notes: 1) The total pre-tax remunerations include basic salary, seniority wage, post salary, performance-based salary, bonus, term incentive income and meeting allowance, etc.

2) LOU Qiliang was appointed as the president in September 2023, executive Director in October 2023, and chairman in February 2024, and the above-mentioned remuneration and benefits is the total amount for his term of office from October to December 2023.

3) In January 2024, ZHOU Zhiliang ceased to serve as executive Director and the chairman, and the above-mentioned remuneration and benefits is the total amount for his term of office from January to December 2023.

4) In August 2023, XU Zongxiang ceased to serve as executive Director and the president, and the above-mentioned remuneration and benefits is the total amount for his term of office from January to August 2023.

5) In January 2024, GUO Yonghong ceased to serve as non-executive Director. He received no emoluments for the year ended 31 December 2023, because he did not receive any remuneration in the capacity as non-executive Director.

6) Ms. LI Tienan was appointed as supervisor in February 2020. She received no emoluments for the year ended 31 December 2023, because she did not receive any remuneration in the capacity as supervisor.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

7. Emolument of key management (Continued)

(2) Directors' and supervisors' remuneration (Continued)

An analysis of the number of five highest paid employees within the Company for the year is as follows:

	Current period	Last period
Non-director and non-supervisor employees	5	5

Details of the remuneration of the above non-director and non-supervisor highest paid employees are as follows:

Item	Current period	Last period
Basic salary	2,163,000.00	2,625,600.00
Performance bonus	4,336,751.08	4,554,683.39
Total pre-tax remunerations	6,499,751.08	7,180,283.39
Social insurance premium and housing provident fund	814,825.20	784,780.02
Supplementary pension insurance	188,723.99	178,859.88
Total	7,503,300.27	8,143,923.29

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands is as follows:

	Current period	Last period
Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	3	2
HK\$2,000,001 to HK\$2,500,000	—	1
HK\$2,500,001 to HK\$3,000,000	—	—
HK\$3,000,001 to HK\$3,500,000	—	—
Total	5	5

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(V) Related party transactions (Continued)

8. Other related party transactions

☒ Applicable ☐ Not Applicable

Interest expenses corresponding to the centralized management of funds deposited by related parties in financial companies:

Related parties	Amount for the current period	Amount for the previous period
Beijing Railways Signal & Communication Complete Equipment Company Ltd.	1,139,007.18	146,088.44
Shanghai Xinlicheng Communication Technology Service Co., Ltd.	388,597.47	147,040.76
CSRC Capital Co., Ltd.	316,916.67	—
CRSC Real Estate Co., Ltd.	54,960.30	149,701.46
Beijing Erqi Communication Factory Co., Ltd.	9,641.42	3,993.16
CRSC Guizhou Real Estate Co., Ltd.	6,639.41	32,667.85
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	6,646.90	7,566.67
Guiyang Branch of CRSC Real Estate Co., Ltd.	6,046.98	—
CRSC Foshan Real Estate Co., Ltd.	6,903.35	2,298.91
Foshan Sanshui Branch of CRSC Real Estate Co., Ltd.	166.45	—
Xi'an Weixun Monitoring Equipment Co., Ltd.	0.20	0.14
China Railway Signal and Communication (Group) Corporation Limited	12,731,539.53	242,760.93

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties

1. Receivables

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Project name	Related parties	Closing balance	Opening balance
Accounts receivable			
	Tianshui Tram Co., Ltd.	266,232,598.34	203,671,708.70
	CRSC Tianshui Tram Co., Ltd.	241,310,188.36	262,216,007.93
	Siping Integrated Pipeline Construction Co., Ltd.	63,527,919.00	27,332,996.00
	Beijing CRSC Beifang Real Estate Co., Ltd.	43,322,161.59	65,429,340.13
	Siemens Signalling Company Ltd.	30,903,809.93	15,635,907.76
	CRSC Foshan Real Estate Co., Ltd.	22,041,003.21	143,101,916.47
	CRSC Real Estate Co., Ltd.	14,433,475.42	59,506,091.92
	CRSC Guizhou Real Estate Co., Ltd.	12,972,545.53	20,521,611.60
	ALSTOM Transport S.A.	12,203,542.56	917,406.00
	Zhejiang Jiaotou Intelligent Transportation Technology Co., Ltd.	9,921,604.00	–
	Henan Huazhou Railway Co., Ltd.	6,459,804.81	–
	Gu'an Beixin Railway Signal Co., Ltd.	4,720,623.98	10,758,491.00
	ALSTOM Transport India Limited	3,910,097.67	3,168,089.11
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	2,496,695.45	4,980,344.77
	Beijing Beixin Fengyuan Railway Electronics Equipment Co., Ltd.	170,000.00	–
	China Tietong Railway Operation Co., Ltd.	134,000.00	–
	ALSTOM ISRAEL LTD	100,555.26	–
	China Liantou (Shanghai) Digital Technology Co., Ltd.	24,550.00	–
	ALSTOM Ferroviaria S.p.A.	13,655.37	–
	ALSTOM Transport Spain Limited	159.08	89.06
	ALSTOM Signaling Inc.	40.00	–
	ALSTOM Transport SA (Romania)	20.00	20.00
	ALSTOM Transport Australia Pty Limited	–	65,938.00
	Subtotal	734,899,049.56	817,305,958.45
	Less: provision for bad debts of other receivables	58,472,876.75	30,571,261.45
	Total	676,426,172.81	786,734,697.00

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

1. Receivables (Continued)

Project name	Related parties	Closing balance	Opening balance
Dividends receivable			
	Siemens Signalling Company Ltd.	4,800,000.00	5,100,000.00
	Tongzhi Data Technology (Beijing) Co., Ltd.	1,008,000.00	–
		5,808,000.00	5,100,000.00
Prepayments			
	Shenzhen Rail Signal Technology Co., Ltd.	23,099,182.81	–
	ALSTOM Transport SA-Saint Ouen	9,431,385.57	3,001,885.88
	Alstom Investment (Shanghai) Co., Ltd.	3,737,204.00	–
	ALSTOM(Thailand)Ltd	1,359,346.60	1,605,967.25
	Xi'an Weixun Monitoring Equipment Co., Ltd.	495,000.00	1,426,896.00
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	423,000.00	423,000.00
	Siemens Signalling Company Ltd.	5,300.00	1,908,300.00
	ALSTOM Transport SA-Villeurbanne	2,940.24	–
	ALSTOM Transport SA-France Signalling	–	25,557.50
	Total	38,553,359.22	8,391,606.63
Other receivables			
	CRSC Real Estate Co., Ltd.	4,564,943.80	314,943.80
	Xi'an Weixun Monitoring Equipment Co., Ltd.	2,868,008.11	1,680,522.40
	CRSC Smart Data Technology (Beijing) Co., Ltd.	1,120,978.97	599,811.41
	CRSC Tianshui Tram Co., Ltd.	601,957.30	124,692.57
	Beijing CRSC Beifang Real Estate Co., Ltd.	583,168.93	–
	Xi'an Schaltbau Electric Corp., Ltd.	515,958.85	449,027.84
	Siemens Signalling Company Ltd.	487,293.03	995,861.38
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	292,223.00	–
	China Railway Signal and Communication (Group) Corporation Limited	249,000.00	195,600.00
	CSRC Capital Co., Ltd.	205,471.26	–
	ALSTOM(Thailand) Ltd	164,249.66	1,082,821.68
	CRSC Guizhou Real Estate Co., Ltd.	164,105.71	–
	China Tietong Railway Operation Co., Ltd.	127,601.61	–
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	84,244.94	–
	CRSC Foshan Real Estate Co., Ltd.	25,745.42	28,017,521.82
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	18,951.88	24,919.80
	Beijing CRSC Beifang Real Estate Co., Ltd.	–	355,770.82
	Subtotal	12,073,902.47	33,841,493.52
	Less: provision for bad debts of other receivables	45,919.71	57,140.14
	Total	12,027,982.76	33,784,353.38

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. Payable

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Project name	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable			
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	150,689,905.23	144,434,989.36
	Tianjin Keyvia Electric Co., Ltd.	94,305,331.08	94,140,276.10
	CRSC Smart Data Technology (Beijing) Co., Ltd.	37,501,493.44	51,250,349.86
	Gu'an Beixin Railway Signal Co., Ltd.	33,080,519.01	44,595,594.86
	Tianjin Jingui Huihai Technology Development Co., Ltd.	23,110,231.84	6,251,713.68
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	19,688,865.02	8,575,240.65
	Siemens Signalling Company Ltd.	18,395,470.23	11,174,583.34
	ALSTOM Transport SA-Saint Ouen	13,775,641.19	34,071,222.77
	Shenzhen Metro Signal Technology (Shenzhen) Co., Ltd.	10,229,390.42	805,739.82
	ALSTOM Transport SA-Villeurbanne	4,565,501.56	5,978,759.91
	Xi'an Schaltbau Electric Corp., Ltd.	995,245.49	304,696.82
	Xi'an Weixun Monitoring Equipment Co., Ltd.	703,730.54	609,432.56
	Alstom Investment (Shanghai) Co., Ltd.	615,514.79	287,654.71
	China Tietong Railway Operation Co., Ltd.	272,315.80	–
	ALSTOM Ferroviaria S.p.A.	83,048.45	83,048.45
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	82,850.00	–
	Beijing Erqi Communication Factory Co., Ltd.	64,953.41	64,953.41
	ALSTOM Transport SA-Aix en Provence	59,553.43	59,553.43
	ALSTOM Signaling Inc.	–	26,380,780.45
	ALSTOM(Thailand) Ltd	–	4,524,294.58
	Total	408,219,560.93	433,592,884.76

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. Payable (Continued)

Project name	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Contract liabilities			
	ALSTOM Transport S.A.	28,904,796.84	28,156,783.10
	CRSC Real Estate Co., Ltd.	3,418,442.42	–
	Tianshui CRSC Tramway Co., Ltd.	2,722,001.29	–
	ALSTOM Transport Australia Pty Limited	1,954,197.27	15,067,184.56
	ALSTOM Transport India Limited	802,598.85	379,290.90
	Shentie Signal Technology (Shenzhen) Co., Ltd.	706,982.30	–
	Henan Huazhou Railway Co., Ltd.	284,741.28	–
	ALSTOM ISRAEL LTD	236,660.14	236,660.14
	Tianjin Jinhui Hai Technology Development Co., Ltd.	76,912.50	–
	China Liantou (Shanghai) Digital Technology Co., Ltd.	22,747.44	–
	ALSTOM Ferroviaria S.p. A.	14,281.96	–
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	10,820.66	–
	Total	39,155,182.95	43,839,918.70
Other payables			
	China Railway Signal and Communication (Group) Corporation Limited	79,634,558.21	49,710,137.71
	CRSC Guizhou Real Estate Co., Ltd.	3,533,330.69	1,000.00
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	3,200,780.09	3,721,078.30
	China City Railway Transportation Equipment Co., Ltd.	1,822,648.50	–
	CRSC Real Estate Co., Ltd.	313,586.40	–
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	228,706.00	–
	Tianshui CRSC Tramway Co., Ltd.	190,172.90	–
	China Tietong Railway Operation Co., Ltd..	161,725.00	184,548.54
	Gu'an Beixin Railway Signal Co., Ltd.	97,320.00	30,000.00
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	35,000.00	232,101.46
	Beijing Beixin Fengyuan Railway Electronics Equipment Co., Ltd.	26,760.00	–
	Tianshui Tramway Co., Ltd.	17,965.36	–
	Tongzhi Data Technology (Beijing) Co., Ltd.	15,000.00	–
	Xi'an Weixun Monitoring Equipment Co., Ltd.	2,823.06	–
	Total	89,280,376.21	53,878,866.01

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VI) Unsettled items such as amounts due from/to related parties (Continued)

2. Payable (Continued)

Project name	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Bills payable			
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	3,000,000.00	700,000.00
	Gu'an Beixin Railway Signal Co., Ltd.	2,870,812.78	1,496,549.00
	Siemens Signalling Company Ltd.	1,586,564.00	–
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	985,245.27	–
	China Tietong Railway Operation Co., Ltd.	200,670.82	–
	Total	8,643,292.87	2,196,549.00
Customers deposits and deposits from banks and other financial institutions			
	China Railway Signal and Communication (Group) Corporation Limited	2,724,013,986.47	33,905,451.51
	Beijing Erqi Communication Factory Co., Ltd.	73,261,184.46	1,264,403.57
	Beijing Railways Signal & Communication Complete Equipment Company Ltd.	68,471,631.53	72,661,560.11
	Shanghai Xinlicheng Communication Technology Service Co., Ltd.	30,652,011.30	22,762,916.49
	CRSC Real Estate Co., Ltd.	53,029,751.34	3,151,784.84
	CSRC Capital Co., Ltd.	40,316,916.67	–
	CRSC Foshan Real Estate Co., Ltd.	3,574,882.04	2,347,772.26
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	2,936,493.74	1,948,327.57
	CRSC Guizhou Real Estate Co., Ltd.	4,802,286.50	4,164.73
	Foshan Sanshui Branch of CRSC Real Estate Co., Ltd.	2,976.05	–
	Guiyang Branch of CRSC Real Estate Co., Ltd.	195,943.52	–
	Xi'an Weixun Monitoring Equipment Co., Ltd.	57.18	56.98
	Total	3,001,258,120.80	138,046,438.06

3. Other items

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIV RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

(VII) Commitment of related parties

☒ Applicable ☐ Not Applicable

The commitments in relation to related parties contracted for but not yet necessary to be recognised on the balance sheet by the Company as at the balance sheet dates were as follows:

Project name	Related parties	Closing balance	Opening balance
Procurement of goods/provision of services	ALSTOM Transport SA-Saint Ouen	231,274,670.97	290,474,027.74
	ALSTOM Transport SA-Villeurbanne	16,072,979.60	38,695,331.28
	Alstom Investment (Shanghai) Co., Ltd.	16,866,042.84	28,613,541.60
	ALSTOM Signaling Inc.	–	16,293,074.07
	Siemens Signalling Company Ltd.	12,560,181.83	8,803,984.20
	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd.	527,120.12	6,526,455.75
Sales of goods/provision of services	CRSC Guizhou Real Estate Co., Ltd.	319,726,680.23	328,774,966.51
	ALSTOM Transport S. A.	270,536,585.04	63,882,902.14
	Tianshui Tram Co., Ltd.	134,589,295.85	123,113,692.09
	ALSTOM Hong Kong Ltd	71,511,984.29	123,495,430.93
	ALSTOM Transport India Limited	29,289,322.14	33,997,081.25
	ALSTOM Transport Australia Pty Limited	18,079,110.08	19,156,774.08
	CRSC Real Estate Co., Ltd.	5,980,006.03	19,078,034.62
	Tianjin Jingui Huihai Technology Development Co., Ltd.	2,613,553.00	2,613,553.00
	Zhongguancun Chipsea Prioritizing Technology Co., Ltd.	2,437,923.62	1,236,820.00
	Gu'an Beixin Railway Signal Co., Ltd.	2,049,348.00	11,987,079.72
	ALSTOM Ferroviaria S.p.A	859,590.00	859,590.00
	GE (Shanghai) Electric Power Technology Co., Ltd.	370,148.28	370,148.28
	Siemens Signal Ltd	288,855.50	1,646,489.10
	ALSTOM Signaling Inc.	29,365.00	1,444,950.00
	ALSTOM ISRAEL LTD	4,826.82	4,826.82
	ALSTOM Transport (S) Pte Ltd	–	263.00

(VIII) Others

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XV SHARE-BASED PAYMENT

(I) Various equity instruments

☐ Applicable ☒ Not Applicable

Stock options or other equity instruments issued at the end of the period

☐ Applicable ☒ Not Applicable

(II) Equity-settled share-based payments

☐ Applicable ☒ Not Applicable

(III) Cash-settled share-based payments

☐ Applicable ☒ Not Applicable

(IV) Share-based payment expenses for current period

☐ Applicable ☒ Not Applicable

(V) Modification and termination of share-based payment

☐ Applicable ☒ Not Applicable

(VI) Others

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XVI COMMITMENTS AND CONTINGENCIES

(I) Significant commitments

☒ Applicable ☐ Not Applicable

Major external commitments, nature and amount thereof as at the balance sheet date

Name of item	Closing balance	Opening balance
Contracted, but not provided for	—	—
Capital commitment	—	—
Investment commitment	274,709,700.00	422,500,000.00
Total	274,709,700.00	422,500,000.00

(II) Contingencies

1. Important contingencies existing as at the balance sheet date

☐ Applicable ☒ Not Applicable

2. The Company has no disclosable important contingencies, and shall also give an explanation:

☐ Applicable ☒ Not Applicable

(III) Others

☐ Applicable ☒ Not Applicable

As of the balance sheet date, the Company has no contingent matters requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

XVII EVENTS AFTER THE BALANCE SHEET DATE

(I) Important non-adjusting matters

☐ Applicable ☒ Not Applicable

(II) Profit distribution

☒ Applicable ☐ Not Applicable

On March 28 2025, the Board of Directors of the Company resolved to recommend the distribution of cash dividend of RMB0.17 (including tax) per share with the profit available for distribution as of 31 December 2024. The profit distribution plan will be submitted to the Company's 2024 annual general meeting for the shareholders' consideration and approval.

(III) Sales return

☐ Applicable ☒ Not Applicable

(IV) Explanation of other events after the balance sheet date

☐ Applicable ☒ Not Applicable

XVIII CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the profit distribution to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debts. The Company is not bound by external compulsory capital requirements. In 2024 and 2023, no changes were made in the objectives, policies or processes for managing capital.

The Company manages its capital through gearing ratio, which is total liabilities divided by total assets. The gearing ratios of the Company as at the balance sheet date are as follows:

Item	Closing balance	Opening balance
Total assets	117,890,875,515.13	118,990,487,731.74
Total liabilities	67,455,073,189.37	70,115,652,701.84
Gearing ratio	57.22%	58.93%

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIX OTHER SIGNIFICANT EVENTS

(I) Early correction of accounting error

1. *Retrospective restatement*

☐ Applicable ☒ Not Applicable

2. *Prospective application*

☐ Applicable ☒ Not Applicable

(II) Debt restructuring

☐ Applicable ☒ Not Applicable

(III) Asset replacement

1. *Exchange of non-monetary assets*

☐ Applicable ☒ Not Applicable

2. *Other asset replacement*

☐ Applicable ☒ Not Applicable

(IV) Annuity plan

☐ Applicable ☒ Not Applicable

(V) Discontinuing operations

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIX OTHER SIGNIFICANT EVENTS (CONTINUED)

(VI) Segment information

1. *Basis for determining and accounting policies of reportable segments*

☒ Applicable ☐ Not Applicable

For management purposes, the Company is divided into business units based on the products and services. The Company has the following three reportable segments:

- (1) The rail transportation control system segment mainly provides a specialized “three-in-one” service comprising of design and integration, equipment manufacturing and system delivery for rail transportation control systems;
- (2) General engineering contracting segment mainly includes municipal engineering contracting and the construction services of other engineering projects;
- (3) Other segments mainly engage in trading etc.

The management separately manages the operating results of each business unit for the purpose of making decisions about resources allocation and performance assessment.

Segment performance is evaluated based on the profit of a reportable segment. The indicator is consistent with the total profit of the Company.

Inter-segment transfer pricing is determined by reference to prices adopted in sales or provision of labour services to third parties.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIX OTHER SIGNIFICANT EVENTS (CONTINUED)

(VI) Segment information (Continued)

2. Financial information of reportable segments

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Rail transportation control system	Construction contracting	Others	Inter-segment offsetting	Total
Revenue from external transactions	29,551,790,215.39	2,689,055,714.68	232,187,835.99	-	32,473,033,766.06
Revenue from inter-segment transactions	149,605,378.33	31,166,744.96	38,142,163.39	-218,914,286.68	-
Investment income from joint ventures and associates	90,111,021.64	25,519,248.27	-	-	115,630,269.91
Credit impairment loss	175,523,469.26	148,582,429.24	-	-	324,105,898.50
Asset impairment loss	16,184,793.04	5,924,416.55	-	-	22,109,209.59
Depreciation and amortization fees	749,287,054.06	10,220,726.61	4,008,589.39	-8,449,967.13	755,066,402.93
Total profit (Total loss)	/	/	/	/	4,730,781,456.12
Income tax expenses	/	/	/	/	661,836,908.15
Net profit (net loss)	/	/	/	/	4,068,944,547.97
Total assets	90,037,344,397.18	22,575,489,989.88	12,836,696,166.14	-7,558,655,038.07	117,890,875,515.13
Total liabilities	45,979,742,706.39	18,377,377,347.07	10,656,608,173.98	-7,558,655,038.07	67,455,073,189.37
Other significant no cash items	-	-	-	-	-
Long-term equity investments in joint ventures and associates	1,429,876,948.99	376,824,866.92	-	-	1,806,701,815.91
Increase in non current assets other than long-term equity investments	1,095,888,808.43	792,903.23	11,365,004.23	-20,213,093.71	1,087,833,622.18

Note: Capital expenditure includes the current year's increase in investment real estate, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, and long-term deferred expenses.

3. The Company shall explain the reason why there is no reportable segment or it cannot disclose the total assets and total liabilities of each reportable segment

☐ Applicable ☒ Not Applicable

4. Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XIX OTHER SIGNIFICANT EVENTS (CONTINUED)

(VII) Other material transactions and matters that have an impact on investors' decisions

☐ Applicable ☒ Not Applicable

(VIII) Others

☒ Applicable ☐ Not Applicable

Geographic information

1. Revenue from external transactions

Revenue from external transactions	2024	2023
China	30,031,664,390.29	35,515,434,781.88
Other countries or regions	2,441,369,375.77	1,486,794,657.01
Total	32,473,033,766.06	37,002,229,438.89

Note: Revenue from external transactions is categorized by where the customers are located.

2. Total non-current assets

Total non-current assets	2024	2023
China	12,277,715,991.89	11,284,185,074.34

Note: Non-current assets are categorized based on where the assets (excluding financial assets and deferred tax assets) are located.

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

(I) Accounts receivable

1. Disclosure by aging on recording dates

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Ageing	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year		
Sub items within 1 year		
Subtotal for within 1 year	470,338,191.50	669,015,662.76
1 to 2 years	292,363,671.30	326,687,594.34
2 to 3 years	211,627,954.82	410,332,286.71
Over 3 years	608,490,556.12	387,337,505.10
Subtotal	1,582,820,373.74	1,793,373,048.91
Less: Provision for bad debt	206,528,741.58	151,297,518.57
Total	1,376,291,632.16	1,642,075,530.34

2. Disclosure by classification with the method of provision of bad debts

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Percentage of provision (%)		Amount	Proportion (%)	Amount	Percentage of provision (%)	
Single provision for bad debt	2,635,754.22	0.17	2,635,754.22	100.00	-	2,831,288.06	0.16	2,831,288.06	100.00	-
Provision withdrawn for bad debt on a combination basis	1,580,184,619.52	99.83	203,892,987.36	12.90	1,376,291,632.16	1,790,541,760.85	99.84	148,466,230.51	8.29	1,642,075,530.34
Total	1,582,820,373.74	100.00	206,528,741.58	/	1,376,291,632.16	1,793,373,048.91	100.00	151,297,518.57	/	1,642,075,530.34

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024
RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY’S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Disclosure by classification with the method of provision of bad debts (Continued)

Single provision for bad debt:

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name	Book balance	Closing balance		Reasons for provision
		Provision for bad debt	Percentage of provision (%)	
Single provision for bad debt	2,635,754.22	2,635,754.22	100.00	/
Total	2,635,754.22	2,635,754.22	100.00	/

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Disclosure by classification with the method of provision of bad debts (Continued)

Provision withdrawn for bad debt on a combination basis:

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Name	Accounts receivable	Closing balance	Percentage of provision (%)
		Provision for bad debt	
Within 1 year	470,338,191.50	2,250,680.43	0.48
1 to 2 years	292,363,671.30	14,192,423.40	4.85
2 to 3 years	211,627,954.82	17,093,184.62	8.08
Over 3 years	605,854,801.90	170,356,698.91	28.12
Total	1,580,184,619.52	203,892,987.36	/

Descriptions of provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

☐ Applicable ☒ Not Applicable

Explanation on significant changes in the book balance of account receivables with changes in loss provisions in the current period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

3. Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Categories	Opening balance	Increase/decrease during the period			Other changes	Closing balance
		Provision	Recovery or reversal	Write-off or cancellation		
Single provision for bad debt	2,831,288.06	-	-	195,533.84	-	2,635,754.22
Provision withdrawn for bad debt on a combination basis by credit risk characteristics	148,466,230.51	55,426,701.73	-	-	55.12	203,892,987.36
Total	151,297,518.57	55,426,701.73	-	195,533.84	55.12	206,528,741.58

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

4. Actual write-off of accounts receivable for the period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount
Accounts receivable actually written off	195,533.84

Write-off of significant accounts receivable

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

5. Top five accounts receivable and contract assets by closing balance of debtors

☒ Applicable ☐ Not Applicable

As at 31 December 2024, the top five accounts receivable and contract assets by debtor with a closing balance of RMB643,991,063.39 accounted for 21.35% of the total closing balance of accounts receivable and contract assets, and the corresponding closing balance of the accrued bad debt provision was RMB14,424,890.41.

As at 31 December 2023, the top five accounts receivable and contract assets by debtor with a closing balance of RMB708,671,294.75 accounted for 20.44% of the total closing balance of accounts receivable and contract assets, and the corresponding closing balance of the accrued bad debt provision was RMB3,812,692.65.

Other explanation:

☐ Applicable ☒ Not Applicable

(II) Other receivables

Presentation of item

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	—	—
Dividends receivable	309,922,930.31	250,222,930.31
Other receivables	6,860,503,635.21	6,607,071,636.40
Total	7,170,426,565.52	6,857,294,566.71

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Presentation of item (Continued)

Other explanation:

☐ Applicable ☒ Not Applicable

Interest receivable

1. *Classification of interest receivable*

☐ Applicable ☒ Not Applicable

2. *Significant overdue interest*

☐ Applicable ☒ Not Applicable

3. *Disclosure by classification with the method of provision of bad debts*

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

Provisions for bad debts made as per the general model of ECL

☐ Applicable ☒ Not Applicable

Explanation of significant changes in the book balance of interests receivable due to changes in loss provisions in the current period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Interest receivable (Continued)

4. *Provision for bad debts*

☐ Applicable ☒ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

5. *Actual write-off of interest receivable for current period*

☐ Applicable ☒ Not Applicable

Write-off of significant interest receivable:

☐ Applicable ☒ Not Applicable

Explanation of write-off:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Dividends receivable

1. *Dividends receivable*

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Project (or the investee)	Closing balance	Opening balance
CRSC Construction	172,561,000.00	172,561,000.00
Shanghai Engineering Bureau	68,910,000.00	56,270,000.00
CRSC Jiangsu Smart	13,800,000.00	13,800,000.00
CSRC Tengda	6,335,000.00	3,975,000.00
CRSC Wanquan Signal Equipment Co., LTD.	3,616,930.31	3,616,930.31
Jishou Huatai	840,000.00	—
CSRCE	43,860,000.00	—
Subtotal	309,922,930.31	250,222,930.31
Less: Provision for bad debt	—	—
Total	309,922,930.31	250,222,930.31

2. *Significant dividends receivable aging over 1 year*

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Dividends receivable (Continued)

3. Disclosure by classification with the method of provision of bad debts

☐ Applicable ☒ Not Applicable

Single provision for bad debt:

☐ Applicable ☒ Not Applicable

Descriptions of single provision for bad debt:

☐ Applicable ☒ Not Applicable

Provision withdrawn for bad debt on a combination basis:

☐ Applicable ☒ Not Applicable

Provisions for bad debts made as per the general model of ECL

☐ Applicable ☒ Not Applicable

Explanation of significant changes in the book balance of dividends receivable due to changes in loss provisions in the current period:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Dividends receivable (Continued)

4. *Provision for bad debts*

☐ Applicable ☒ Not Applicable

Significant amounts recovered or reversed to bad debts in the period:

☐ Applicable ☒ Not Applicable

5. *Actual write-off of dividends receivable in current period*

☐ Applicable ☒ Not Applicable

Write-off of significant dividends receivable:

☐ Applicable ☒ Not Applicable

Explanation of write-off:

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables

1. Disclosure by ageing

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Ageing

	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year		
Sub items within 1 year		
Subtotal for within 1 year	1,423,835,500.66	1,291,330,911.51
1 to 2 years	762,566,469.93	1,214,202,766.17
2 to 3 years	1,187,920,747.36	3,803,179,284.15
Over 3 years	3,488,985,524.11	298,897,495.86
Subtotal	6,863,308,242.06	6,607,610,457.69
Less: Provision for bad debt	2,804,606.85	538,821.29
Total	6,860,503,635.21	6,607,071,636.40

2. Classified by nature

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Nature of accounts

	Book balance at the end of the period	Book balance at the beginning of the period
Loans from subsidiaries	4,129,013,130.00	5,438,843,130.00
Advances	2,563,852,958.50	1,026,193,302.90
Others	170,442,153.56	142,574,024.79
Subtotal	6,863,308,242.06	6,607,610,457.69
Less: Provision for bad debt	2,804,606.85	538,821.29
Total	6,860,503,635.21	6,607,071,636.40

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

3. Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit impaired)	Total
Amounts due as at 1 January 2024	117,995.09	—	420,826.20	538,821.29
Amounts due for the period as at 1 January 2024	—	—	—	—
– Transferred to stage 2	—	—	—	—
– Transferred to stage 3	—	—	—	—
– Reversed to stage 2	—	—	—	—
– Reversed to stage 1	—	—	—	—
Provision for the period	2,314,560.76	—	—	2,314,560.76
Reversal for current period	—	—	-48,775.20	-48,775.20
Write-off for current period	—	—	—	—
Cancellation for current period	—	—	—	—
Other changes	—	—	—	—
Amounts due as at 1 January 2024	2,432,555.85	—	372,051.00	2,804,606.85

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

3. Provision for bad debts (Continued)

Changes in gross carrying amount of other receivables are as follows:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Book balance				
Amounts due as at 1 January 2024	6,607,189,631.49	–	420,826.20	6,607,610,457.69
Amounts due for the period as at 1 January 2024	–	–	–	–
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Increase for the period	2,924,974,120.79	–	–	2,924,974,120.79
Derecognized for the period	-2,669,227,561.22	–	-48,775.20	-2,669,276,336.42
Other changes	–	–	–	–
Amounts due as at 31 December 2024	<u>6,862,936,191.06</u>	<u>–</u>	<u>372,051.00</u>	<u>6,863,308,242.06</u>

Explanation on significant changes in the book balance of other receivables with changes in loss provisions in the current period:

☐ Applicable ☒ Not Applicable

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increases significantly:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

4. Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Categories	Opening balance	Provision	Increase/decrease during the period			Closing balance
			Recovery or reversal	Write-off or cancellation	Other changes	
Provision for bad debt	538,821.29	2,314,560.76	48,775.20	—	—	2,804,606.85
Total	538,821.29	2,314,560.76	48,775.20	—	—	2,804,606.85

Including significant amounts of provision for bad debts recovered or reversed in the period:

☐ Applicable ☒ Not Applicable

5. Write-off of other receivables for the period

☐ Applicable ☒ Not Applicable

Write-off of other significant receivables:

☐ Applicable ☒ Not Applicable

Explanation of write-off of other receivables:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(II) Other receivables (Continued)

Other receivables (Continued)

6. *Top five other receivables by closing balance of debtors*

☒ Applicable ☐ Not Applicable

On 31 December 2024, the total amount of top five other receivables by closing balance of debtors amounted to RMB4,929,301,757.02, accounting for 71.82% of the total closing balance of other receivables. There was no need to make provision for bad debt.

On 31 December 2023, the total amount of top five other receivables by closing balance of debtors amounted to RMB4,551,681,308.54, accounting for 68.89% of the total closing balance of other receivables. There was no need to make provision for bad debt.

7. *Listed as "Other receivables" due to centralized fund management*

☐ Applicable ☒ Not Applicable

Other explanation:

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(III) Long-term equity investments

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Investment in subsidiaries	18,964,368,144.04	-	18,964,368,144.04	18,429,896,919.24	-	18,429,896,919.24
Investments in associates and joint ventures	929,367,802.69	-	929,367,802.69	887,605,378.92	-	887,605,378.92
Total	19,893,735,946.73	-	19,893,735,946.73	19,317,502,298.16	-	19,317,502,298.16

1. Investment in subsidiaries

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Opening balance of provision for impairment	Increase/decrease for the period				Closing balance	Closing balance of provision for impairment
			Additional investment	Reduction of investment	Provision for impairment	Others		
Shanghai Engineering Bureau	1,635,118,995.36	-	-	-	-	-	1,635,118,995.36	-
CRSCD	2,183,153,452.31	-	-	-	-	-	2,183,153,452.31	-
CRSCC	370,790,731.45	-	85,000,000.00	-	-	-	455,790,731.45	-
Urban Rail Transit	100,000,000.00	-	-	-	-	-	100,000,000.00	-
CRSC International Holdings	542,777,379.43	-	267,282,900.00	-	-	-	810,060,279.43	-
Innovation Investment	2,901,431,060.71	-	-	-	-	-	2,901,431,060.71	-
CRSCE	1,090,447,494.77	-	-	-	-	-	1,090,447,494.77	-
CRSC Cables	389,223,087.50	-	-	-	-	-	389,223,087.50	-

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(III) Long-term equity investments (Continued)

1. Investment in subsidiaries (Continued)

Investee	Opening balance	Opening balance of provision for impairment	Increase/decrease for the period				Closing balance	Closing balance of provision for impairment
			Additional investment	Reduction of investment	Provision for impairment	Others		
CRSC Changsha Railway	1,454,470,000.00	-	-	-	-	-	1,454,470,000.00	-
CASCO	731,460,709.51	-	-	-	-	-	731,460,709.51	-
CRSC Xi'an Industry Group	2,161,476,363.60	-	-	-	-	-	2,161,476,363.60	-
Electrification Bureau	325,000,000.00	-	-	-	-	-	325,000,000.00	-
CRSC Construction	1,278,913,017.40	-	-	-	-	-	1,278,913,017.40	-
CRSC International	2,581,200.00	-	-	-	-	-	2,581,200.00	-
CRSC Tengda	405,000,000.00	-	-	-	-	-	405,000,000.00	-
CRSC Huatai	522,000,000.00	-	-	-	-	-	522,000,000.00	-
CRSC Jiangsu Smart	431,053,427.20	-	-	-	-	-	431,053,427.20	-
CRSC Beijing Tendering	5,000,000.00	-	-	5,000,000.00	-	-	-	-
CRSC Finance	1,900,000,000.00	-	-	-	-	-	1,900,000,000.00	-
Guangzhou Engineering Technology	-	-	58,180,000.00	-	-	-	58,180,000.00	-
Beijing Goods and Materials	-	-	31,376,706.79	-	-	-	31,376,706.79	-
CSRC Smart City	-	-	97,631,618.01	-	-	-	97,631,618.01	-
Total	18,429,896,919.24	-	539,471,224.80	5,000,000.00	-	-	18,964,368,144.04	-

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(III) Long-term equity investments (Continued)

1. Investment in associates and joint ventures

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase in investment	Decrease in investment	Increase/decrease for the period			Declared and paid cash dividends or profits	Provision for impairment	Other	Closing balance	Closing balance of provision for impairment
				Investment gains/losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes					
I. Joint ventures											
Subtotal	-	-	-	-	-	-	-	-	-	-	-
II. Associates											
CSCEC Foshan Joint Investment Co., Ltd.	12,616,233.38	-	-	-	-	-	-	-	-	12,616,233.38	-
Siping Integrated Pipeline Construction Co., Ltd.	224,763,946.36	-	-	-2,660,042.15	-	-	-	-	-	222,103,904.21	-
Guangdong Utrust Financial Leasing Co., Ltd.	364,085,991.06	-	-	12,732,565.65	-	-	-	-	-	376,818,556.71	-
CRSC Tianshui Tram Co., Ltd.	261,632,127.62	-	-	22,246,901.43	-	-	-	-	-	283,879,029.05	-
Shenzhen Metro Signal Technology (Shenzhen) Co., Ltd.	24,507,080.50	-	-	9,442,998.84	-	-	-	-	-	33,950,079.34	-
Subtotal	887,605,378.92	-	-	41,762,423.77	-	-	-	-	-	929,367,802.69	-
Total	887,605,378.92	-	-	41,762,423.77	-	-	-	-	-	929,367,802.69	-

3. Impairment testing of long-term equity investments

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(IV) Revenue and costs of sales

1. Revenue and costs of sales

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal operations	2,135,149,111.05	2,052,087,790.72	3,507,014,782.09	3,273,317,979.75
Other operations	184,664,484.99	46,871,483.41	192,060,227.51	47,946,517.71
Total	2,319,813,596.04	2,098,959,274.13	3,699,075,009.60	3,321,264,497.46

2. Breakdown of revenue and costs of sales

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

3. Details of performance obligation

☐ Applicable ☒ Not Applicable

4. Explanation about allocation to the remaining performance obligations

☐ Applicable ☒ Not Applicable

5. Significant contract amendments or significant transaction price adjustments

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XX NOTES TO KEY ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

(V) Investment income

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Income from long-term equity investments under the cost method	1,889,134,250.00	2,004,547,671.00
Income from long-term equity investments under the equity method	41,762,423.77	44,555,126.22
Investment income from disposal of long-term equity investments	—	13,796,227.51
Interest income from debt investments during the holding period	11,364,993.67	11,364,993.67
Investment income from borrowing/loan	205,791,477.98	224,112,729.49
Total	2,148,053,145.42	2,298,376,747.89

(VI) Others

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XXI SUPPLEMENTARY INFORMATION

(I) Breakdown of current non-recurring profit or loss

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Profit and loss on disposal of non-current assets, including the offsetting portion of the provision for impairment of assets	42,198,751.70	/
Government grants recognized as income in the current profit or loss, except for those closely related to the Company's normal operating activities, compliant with national policy regulations, received based on established criteria, and with a sustained impact on the Company's financial statements	219,165,283.24	/
Except for effective hedging transactions related to the Company's normal business operations, gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses from the disposal of financial assets and financial liabilities	-	/
Funds occupancy fees from non-financial enterprises recognised in profit or loss	-	/
Gains or losses from entrusted investments or asset management	-	/
Gains or losses from externally entrusted loans	-	/
Asset losses due to force majeure events, such as natural disasters	-	/
Reversal of impairment provision for receivables individually tested for impairment.	4,626,471.42	/
Gain from acquiring a subsidiary, associate, or joint venture at a cost lower than the fair value of its identifiable net assets	-	/
Net profit or loss of a subsidiary from the beginning of the period to the merger date in a business combination under common control	-	/
Gains or losses from non-monetary asset exchanges	-	/
Gains or losses from debt restructuring	2,347,193.67	/
One-time expenses due to discontinued business operations, such as employee resettlement costs	-	/

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XXI SUPPLEMENTARY INFORMATION (CONTINUED)

(I) Breakdown of current non-recurring profit or loss (Continued)

Item	Amount	Note
One-time impact on current profits or losses due to changes in tax, accounting, or other laws and regulations	–	/
One-time share-based payment expenses due to the cancellation or modification of an equity incentive plan	–	/
Gains or losses from fair value changes in payable employee compensation for cash-settled share-based payments after the vesting date	–	/
Gains or losses from fair value changes in investment property measured at fair value	–	/
Gains from transactions with significantly unfair pricing	–	/
Gains or losses from contingencies unrelated to core business operations	–	/
Trust management fees from entrusted operations	–	/
Other non-operating income and expenses apart from the aforesaid items	41,308,656.73	/
Other gain or loss items falling within the definition of extraordinary items	–	/
Sub-total	309,646,356.76	/
Less: Effect of income tax	45,499,788.83	/
Effect of minority interest (after tax)	37,796,659.18	/
Total	226,349,908.75	/

Reasons shall be given with respect to items not listed but identified as significant non-recurring gain or loss items in the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss (《公開發行證券的公司資訊披露解釋性公告第1號-非經常性損益》), as well as the Company classifying the non-recurring profit and loss items defined and listed in the Explanatory Notice on Information Disclosure of Companies with Public Offering No. 1-Non-recurring Profit and Loss (《公開發行證券的公司資訊披露解釋性公告第1號-非經常性損益》) as recurring profit and loss items.

☐ Applicable ☒ Not Applicable

Other explanation

☐ Applicable ☒ Not Applicable

NOTES TO THE FINANCIAL STATEMENTS OF 2024 (CONTINUED)

31 December 2024

RMB

XXI SUPPLEMENTARY INFORMATION (CONTINUED)

(II) Return on net assets and earnings per share

☒ Applicable ☐ Not Applicable

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	7.34	0.32	0.32
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	6.86	0.30	0.30

(III) Differences in accounting data between domestic and overseas accounting standards

☐ Applicable ☒ Not Applicable

(IV) Others

☐ Applicable ☒ Not Applicable

Chairman: LOU Qiliang

Date of approval by the Board for submission: 28 March 2025

INFORMATION ON AMENDMENT

☐ Applicable ☒ Not Applicable

SECTION XII FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED STATEMENT OF PROFIT

Item	2024	2024	2022	2021	2020
Revenue	32,473,033,766.06	37,002,229,438.89	40,203,207,773.29	38,358,297,108.78	40,124,476,710.76
Costs of sales	22,985,410,426.71	27,521,352,667.70	30,680,741,586.09	29,846,875,671.34	31,269,101,236.91
Taxes and surcharges	281,850,359.93	256,690,986.90	241,534,607.36	253,686,656.86	230,083,398.31
Selling and distribution expenses	851,578,354.01	843,995,580.46	812,111,306.78	796,771,857.42	782,685,977.22
General and administrative expenses	2,388,915,418.98	2,335,834,136.35	2,289,994,474.16	2,116,982,019.27	2,059,557,214.11
Research and development expenses	1,912,373,179.29	1,862,286,761.81	1,689,810,596.63	1,638,494,903.20	1,434,273,399.90
Finance costs	-236,406,851.53	-300,226,847.63	-237,983,529.30	-312,381,754.25	-249,659,643.80
Assets impairment losses	-22,109,209.59	-15,597,119.37	37,185,041.73	64,728,770.22	13,806,313.28
Credit impairment losses	-324,105,898.50	-445,966,775.20	-594,320,058.29	195,496,554.50	16,062,175.36
Investment income	128,583,023.70	145,006,530.06	121,595,656.28	113,911,083.50	58,689,540.14
Gains or losses from disposal of assets	42,198,751.70	63,696.54	29,599,933.66	35,949,376.07	171,224,991.74
Other income	417,774,607.65	410,647,468.42	366,824,324.56	336,893,708.75	216,220,467.27
Operating profit	4,687,488,454.41	4,660,841,763.31	4,704,290,405.66	4,244,396,598.54	5,014,701,638.62
Non-operating income	55,836,270.00	39,131,903.49	48,280,889.32	44,826,898.06	26,100,278.36
Non-operating expenses	12,543,268.29	9,688,065.04	9,877,586.82	15,311,313.98	4,929,393.37
Total profit	4,730,781,456.12	4,690,285,601.76	4,742,693,708.16	4,273,912,182.62	5,035,872,523.61
Income tax expenses	661,836,908.15	675,450,919.54	642,049,846.43	581,002,096.30	796,452,326.62
Net profit	4,068,944,547.97	4,014,834,682.22	4,100,643,861.73	3,692,910,086.32	4,239,420,196.99
Net profit attributable to the owners of parent company	3,494,725,837.36	3,477,326,647.54	3,633,640,258.62	3,274,672,689.28	3,819,046,319.02
Profit or loss attributable to non-controlling interests	574,218,710.61	537,508,034.68	467,003,603.11	418,237,397.04	420,373,877.97
Basic earnings per share	0.32	0.32	0.33	0.30	0.34
Diluted earnings per share	0.32	0.32	0.33	0.30	0.34

TOTAL CONSOLIDATED ASSETS AND LIABILITIES

Item	2024	2023	2022	2021	2020
Total assets	117,890,875,515.13	118,990,487,731.74	116,806,544,483.88	108,942,588,838.30	105,328,082,320.59
Total liabilities	67,455,073,189.37	70,115,652,701.84	69,528,809,483.31	63,571,212,916.84	61,030,744,806.19
Total Shareholders' equity	50,435,802,325.76	48,874,835,029.90	47,277,735,000.57	45,371,375,921.46	44,297,337,514.40